

THIS CIRCULAR AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this circular and/or as to 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 (as amended) ("FSMA") if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

The Company and the Directors accept responsibility for the information contained in this circular. To the best of the knowledge and belief of the Company and the Directors (which has and who have taken all reasonable care to ensure that such is the case) the information contained in this circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares or Existing Loan Notes in Shanta Gold Limited before the date that the Existing Ordinary Shares are marked "ex-entitlement" to the Open Offer by the London Stock Exchange, please immediately forward this circular, together with the accompanying Application Form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares or Existing Loan Notes you should retain this circular and the accompanying Application Form and should immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected. However, the distribution of this document, the Application Forms and/or any related documents, and/or the transfer of the Open Offer Entitlements through CREST into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities law or regulations of such jurisdictions. In particular, this document, the enclosures and any other such documents should not be distributed, forwarded or transmitted in or into any Restricted Jurisdictions. In addition, Shareholders in the United States will not be eligible to acquire Open Offer Shares, Open Offer Entitlements or Excess Open Offer Entitlements in connection with the Open Offer. See Section 7 of Part IV of this circular for further information.

The total consideration under the Open Offer shall be less than €5 million (or an equivalent amount) in aggregate or otherwise in circumstances not resulting in an offer of transferable securities to the public under Section 102B of FSMA. Therefore, in accordance with Section 85 and Schedule 11A of FSMA, this circular is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this circular has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom ("FCA"), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this circular does not constitute an admission document drawn up in accordance with the AIM Rules.

SHANTA GOLD LIMITED

(A non-cellular company limited by shares incorporated under the laws of the Island of Guernsey with registered number 43133)

Open Offer of up to 38,471,534 New Ordinary Shares at a price of 6.5 pence per share

Nominated Adviser and Broker

PEEL HUNT LLP

This circular should be read as a whole. Your attention is drawn in particular to the letter from the Chairman of Shanta Gold Limited which is set out in Part I of this circular and to Part II of this circular entitled "Risk Factors" which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 6 June 2016. The procedure for acceptance and payment is set out in Part IV of this circular and, where relevant, in the Application Form.

Peel Hunt LLP ("**Peel Hunt**"), which is authorised by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Open Offer and will not regard any other person (whether or not a recipient of this circular) as a client in relation to the Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Open Offer or any other matter referred to herein. Its responsibilities as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and the Company and not to any other person in respect of his decision to acquire New Ordinary Shares in reliance on any part of this circular. No representation or warranty, express or implied, is made by Peel Hunt as to any of the contents of this circular.

The Existing Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange. 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 of the UK Listing Authority. 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. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares to be issued pursuant to the Open Offer will commence at 8.00 a.m. on 7 June 2016.

This circular does not constitute a prospectus or a prospectus equivalent document. This circular cannot be relied on for any investment contract or decision. No person has been authorised to give any information or make any representation and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors or Peel Hunt. In particular, the content of the Company's website does not form part of this circular and Shareholders and prospective shareholders should not rely on it.

Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders will find an Application Form accompanying this circular. Qualifying CREST Shareholders and Qualifying non-CREST Loan Noteholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement at 8.00 a.m. on 23 May 2016. Applications under the Open Offer may only be made by the Qualifying Shareholder or Qualifying Loan Noteholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex-entitlement".

If the Open Offer Entitlements are for any reason not enabled by 5.00 p.m. or such later time as the Company may decide on 23 May 2016, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST Sponsors regarding the action to be taken in connection with this circular and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this circular.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Copies of this circular are available free of charge during normal business hours on any day (Saturdays, Sundays and public holidays excluded) from Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP for a period of one month from the date of this document.

Notice to Overseas Shareholders and Overseas Loan Noteholders

None of this circular and/or the accompanying documents should be distributed, forwarded, or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the Restricted Jurisdictions. In addition, the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the Restricted Jurisdictions, may be restricted by law and therefore persons into whose possession this circular comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

This circular does not constitute, and may not be used for the purposes of, any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for New Ordinary Shares to or by anyone in any jurisdiction in which such offer, invitation or solicitation is unlawful or to any person to whom it is unlawful to make such offer or invitation or undertake such solicitation. The distribution of this circular and the offering of New Ordinary Shares in certain jurisdictions, including (without limitation) the Restricted Jurisdictions, may be restricted by law and, accordingly, persons into whose possession this circular comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of the jurisdiction concerned.

This circular and the Application Form do not constitute an offer of the New Ordinary Shares to any person with a registered address, or who is resident or located, in any of the Restricted Jurisdictions. Shareholders with registered addresses (or who are otherwise located) in the Restricted Jurisdictions will not be sent an Application Form.

None of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Australia, Japan, New Zealand, Russia or the Republic of South Africa. Subject to certain exceptions, the New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the any of the Restricted Jurisdictions. In particular, none of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements may be, directly or indirectly, offered, sold, taken up, delivered, renounced or transferred in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of any of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements in the United States.

Neither the SEC nor any state securities commission or other US regulatory authority has approved or disapproved of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements or endorsed the merits of the Open Offer or the adequacy or accuracy of this circular. Any representation to the contrary is a criminal offence in the United States.

In addition, subject to certain exceptions, Application Forms are not being posted to and no Open Offer Entitlements or the Excess Open Offer Entitlements will be credited to a stock account of any person in any of the Restricted Jurisdictions. The attention of Overseas Shareholders and Overseas Loan Noteholders and other recipients of this circular who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders and Overseas Loan Noteholders" at section 7 of Part IV of this circular. This circular and the New Ordinary Shares may not be redistributed or forwarded directly or indirectly into any Restricted Jurisdiction. For a description of the restrictions on offers, sales and transfers of the New Ordinary Shares and the distribution of this circular, see section 7 of Part IV of this circular.

FORWARD LOOKING STATEMENTS

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

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DIRECTORS, SECRETARY AND ADVISERS

Directors

Anthony Durrant (*Non-Executive Chairman*)
Dr Toby Bradbury (*Chief Executive Officer*)
Ketan Patel (*Non-Executive Director*)
Robin Fryer (*Non-Executive Director*)
Luke Leslie (*Non-Executive Director*)
John Rickus (*Non-Executive Director*)

all of:

Suite A, St Peter Port House
Sausmarez Street
St Peter Port
Guernsey GY1 2PU
(the registered office of the Company)

Company Secretary

William Hunter
Suite A
St Peter Port House
Sausmarez Street
St Peter Port
Guernsey GY1 2PU

Financial Adviser, Nominated Adviser and Broker

Peel Hunt LLP
Moor House
120 London Wall
London EC2Y 5ET

Legal Advisers to the Company as to English law

Memery Crystal LLP
44 Southampton Buildings
London WC2A 1AP

Legal Advisers to the Company as to Guernsey Law

Carey Olsen LLP
8-10 Throgmorton Avenue
London EC2N 2DL

Registrars

Computershare Investor Services (Jersey) Limited
2nd Floor, Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Receiving Agent

Computershare Investor Services PLC
Corporate Actions Projects
Bristol
BS99 6AH

OPEN OFFER STATISTICS

Issue Price	6.5 pence
Number of Existing Ordinary Shares in issue on the Record Date	580,220,283
Number of fully diluted Existing Ordinary Shares in issue on the Record Date ⁽¹⁾	638,071,892
Number of New Ordinary Shares to be issued pursuant to the Open Offer ⁽²⁾	Up to 38,471,534
Basis of the Open Offer	1 New Ordinary Share for every 8 Existing Ordinary Shares
Enlarged Ordinary Share Capital following completion of the Open Offer	Up to 618,691,817
Percentage of the Enlarged Ordinary Share Capital represented by the New Ordinary Shares ⁽³⁾	6.2%
Gross proceeds of the Open Offer	Up to £2.5 million

(1) Assuming all of the Existing Loan Notes had converted into Ordinary Shares immediately prior to the Record Date.

(2) Assuming the take-up in full of the Open Offer.

(3) The number of New Ordinary Shares being offered pursuant to the Open Offer is based on the assumption that the Placees have undertaken to the Company not to take up their entitlements under the Open Offer including any entitlement that such Placees have in respect of the Existing Loan Notes.

EXCHANGE RATES

In the circular, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom, references to “US dollars”, “\$” and “cents” are to the lawful currency of United States of America references to “EUR”, “Euro” and “€” are to the lawful currency of the Participating Member States.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2016

Record Date for entitlement under the Open Offer	5.00 p.m. on 18 May
Posting of this circular and, to Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders only, the Application Forms	20 May
'Ex-Entitlement Date'	20 May
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders	8.00 a.m. on 23 May
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 31 May
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 1 June
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)	3.00 p.m. on 2 June
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 6 June
Expected time and date of announcement of results of the Open Offer	7.00 a.m. on 7 June
Admission effective and dealings in the Open Offer Shares expected to commence on AIM	8.00 a.m. on 7 June
Expected date for crediting of the Open Offer Shares in uncertificated form to CREST stock accounts	8.00 a.m. on 7 June
Expected date of dispatch of share certificates in respect of the Open Offer Shares	13 June

Notes:

- (1) If you have any questions on the procedure for acceptance and payment, you should contact Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, or by telephone on 0370 707 4040 from within the UK or on +44 (0)370 707 4040 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement. The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this circular may be adjusted by Shanta in which event details of the new dates will be notified to AIM and, where appropriate, to Shareholders.
- (2) All references to time in this circular are to time in London.

DEFINITIONS

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

“Admission”	the admission to trading on AIM of the New Ordinary Shares, which is expected to take place on 7 June 2016
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
“AIM Rules for Nominated Advisers”	the rules for nominated advisers to AIM companies, as published and amended from time to time by the London Stock Exchange
“Applicant”	a Qualifying Shareholder or a person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form under the Open Offer
“Application Form”	the application form which accompanies this circular on which Qualifying non-CREST Shareholders or Qualifying non-CREST Loan Noteholders may apply for Open Offer Shares under the Open Offer
“Articles”	the existing articles of incorporation of the Company as at the date of this circular
“Board” or “Directors”	the directors of the Company from time to time
“Business Day”	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London, UK
“CCSS”	the CREST courier and sorting service, established by Euroclear UK & Ireland to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities
“Company” or “Shanta”	Shanta Gold Limited
“Companies Law”	the Companies (Guernsey) Law 2008, as amended
“CREST”	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
“CREST member”	a person who has been admitted by Euroclear UK & Ireland as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear UK & Ireland
“CREST Regulations”	the Uncertificated Securities Regulations 2001, as amended
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Enlarged Share Capital”	the entire issued ordinary share capital of the Company immediately following Admission

“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders and/or Qualifying Loan Noteholders may apply for Open Offer Shares in excess of their Open Offer Entitlements in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder and each Qualifying CREST Loan Noteholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full
“Excess Open Offer Entitlement”	an entitlement for each Qualifying Shareholder and each Qualifying CREST Loan Noteholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full
“Excess Shares”	New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders and or Qualifying Loan Noteholders may apply under the Excess Application Facility
“Excluded Loan Note Holders”	Loan Noteholders resident in an Restricted Jurisdiction
“Existing Ordinary Shares”	the 580,220,283 Ordinary Shares in issue at the date of this document
“Existing Loan Notes”	the US\$25 million senior unsecured subordinated convertible loan notes of the Company
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 20 May 2016
“EUR”, “Euro” or “€”	the lawful currency of the Participating Member States
“FCA”	the Financial Conduct Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company, together with its subsidiary undertakings
“ISIN”	International Securities Identification Number
“Issue Price”	6.5 pence per New Ordinary Share
“Loan Noteholders”	holders of Existing Loan Notes
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Money Laundering Regulations 2007 (as amended), the money laundering provisions of the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
“New Ordinary Shares”	up to 38,471,534 new Ordinary Shares being the Open Offer Shares to be issued pursuant to the Open Offer

“NLGM”	the New Luika Gold Mine
“Official List”	the daily official list maintained by the Financial Conduct Authority
“Open Offer”	the invitation to Qualifying Shareholders and/or Qualifying Loan Noteholders (in kind), to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part IV of this circular (and, where applicable, the Application Form)
“Open Offer Entitlement”	the <i>pro rata</i> basic entitlement for Qualifying Shareholders to apply to subscribe for 1 Open Offer Share for every 8 existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer and of Qualifying Loan Noteholders to apply to subscribe for 1 Open Offer Share for every 8 Ordinary Shares which they would have held had their Existing Loan Notes been converted into Ordinary Shares immediately prior to the Record Date on and subject to the terms of the Open Offer;
“Open Offer Shares”	the 38,471,534 New Ordinary Shares for which Qualifying Shareholders and Qualifying Loan Noteholders are being invited to apply under the terms of the Open Offer
“Ordinary Shares”	the ordinary shares of £0.01 each in the capital of the Company
“Overseas Shareholder”	a Shareholder who is resident, or who is a citizen of, or who has a registered address in a jurisdiction outside the United Kingdom
“Overseas Loan Noteholder”	a Loan Noteholder who is resident, or who is a citizen of, or who has a registered address in a jurisdiction outside the United Kingdom
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Participating Member State”	any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union
“Peel Hunt”	Peel Hunt LLP
“Placees”	the placees that subscribed for new Ordinary Shares pursuant to the Placing
“Placing”	the placing of 111,442,800 new Ordinary Shares to institutional and other investors at the Placing Price per new Ordinary Share pursuant to a placing agreement between the Company and Peel Hunt dated 6 May 2016
“Placing Price”	6.5 pence per new Ordinary Share
“Prospectus Rules”	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
“Qualifying CREST Loan Noteholders”	Qualifying Loan Noteholders holding Existing Loan Notes in uncertificated form in CREST
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date were held in uncertificated form

“Qualifying non-CREST Loan Noteholders”	Qualifying Loan Noteholders holding Existing Loan Notes in certificated form
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date were held in certificated form
“Qualifying Loan Noteholders”	holders of Existing Loan Notes (other than Excluded Loan Noteholders and Placees) on the Register at the Record Date
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Placees and Overseas Shareholders who are resident in, or who are citizens of, or who have a registered address in a Restricted Jurisdiction)
“Receiving Agents” or “Computershare”	Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH
“Record Date”	5.00 p.m. in London on 18 May 2016 in respect of the entitlements of Qualifying Shareholders under the Open Offer
“Registrars”	Computershare Investor Services (Jersey) Limited, 2nd Floor Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES
“Restricted Jurisdiction”	each and any of the United States of America, Australia, Canada, Japan, New Zealand, Russia and the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations
“SEC”	the US Securities Exchange Commission
“Shareholder”	a holder of Ordinary Shares
“sterling”, “pounds sterling”, “£”, “pence” or “p”	the lawful currency of the United Kingdom
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“Uncertificated” or “Uncertificated form”	recorded on the relevant register or other record of the Ordinary Shares or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US\$” or “US dollar”	the lawful currency of the United States of America
“US Securities Act”	the United States Securities Act of 1933 (as amended)

PART I:

LETTER FROM THE CHAIRMAN

SHANTA GOLD LIMITED

(A non-cellular company limited by shares incorporated under the laws of the Island of Guernsey with registered number 43133)

Directors:

Anthony Durrant *(Non-Executive Chairman)*
Dr Toby Bradbury *(Chief Executive Officer)*
Ketan Patel *(Non-Executive Director)*
Robin Fryer *(Non-Executive Director)*
Luke Leslie *(Non-Executive Director)*
John Rickus *(Non-Executive Director)*

Registered Office:

Suite A, St Peter Port House
Sausmarez Street
St Peter Port
Guernsey GY1 3PG

20 May 2016

To Shareholders and Qualifying Loan Noteholders

Dear Shareholder,

Open Offer of up to 38,471,534 New Ordinary Shares at a price of 6.5 pence per share

1. Introduction

On 6 May 2016, Shanta announced that it had raised \$10.5 million (approximately £7.2 million) (before expenses) by the Placing of 111,442,800 new Ordinary Shares to institutional and other investors at the Placing Price of 6.5 pence per new Ordinary Share.

On 12 May 2016, Shanta announced that it had reached an agreement with over a requisite 75 per cent. majority of Loan Noteholders for its subsidiary to purchase \$10.0 million of the Existing Loan Notes and to extend the term of the notes by two years to April 2019. When the restructuring becomes effective (which is expected to be around early June) and as part of the restructuring, the coupon applicable to the notes will increase from 8.5 per cent. to 13.5 per cent. for the remainder of the term of the notes.

The Board recognises and is grateful for the continued support received from Shareholders and has therefore decided to offer all Qualifying Shareholders the opportunity to participate in a further issue of new equity in the Company by launching the Open Offer. The Open Offer will result in the issue of up to 38,471,534 New Ordinary Shares assuming full take up under the Open Offer (representing, in aggregate, approximately 6.2 per cent. of the Enlarged Shares Capital).

Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 1 Open Offer Share at the Issue Price for every 8 Existing Ordinary Shares held on the Record Date.

The Placees have undertaken to the Company not to take up their entitlement under the Open Offer including any entitlement that such Placees have in respect of the Existing Loan Notes.

Under the terms of the Existing Loan Notes the Loan Noteholders have the right to participate in any offer of, or invitation relating to, securities made to the holders of the Ordinary Shares and accordingly the Board has decided to offer all Qualifying Loan Noteholders the opportunity to participate in the Open Offer. Qualifying Loan Noteholders may subscribe for an amount of Open Offer Shares on the basis of 1 Open Offer Share at the Issue Price for every 8 Ordinary Shares such Loan Noteholder would hold had the Existing Loan Notes converted into Ordinary Shares immediately prior to the Record Date.

Qualifying Shareholders and Qualifying Loan Noteholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares through the Excess Application Facility.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise gross proceeds of approximately £2.5 million (approximately US\$3.7 million) for the Company.

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 diluted by approximately 12.5 per cent. (assuming the take-up in full of the Open Offer).

The New Ordinary Shares to be issued pursuant to the Open Offer are to be admitted to trading on AIM, which is expected to take place at 8.00 a.m. on 7 June 2016.

The net proceeds of the Open Offer (after commission and expenses) will be used in conjunction with a number of other sources of capital to fund the Company's upcoming capital expenditure programme at NLGM (expected to be \$42.9 million from Q2-Q4 2016). Further details on the background to and the reasons for the Open Offer are given in section 3.

The Placées that subscribed for new Ordinary Shares under the Placing undertook to the Company not to participate in the Open Offer in relation to their entitlements as both Shareholders and Loan Noteholders. On that basis the total number of New Ordinary Shares available under the Open Offer only relates to those Shareholders and Loan Noteholders that did not participate in the Placing.

The purpose of this letter is to explain to Shareholders the background to, and reasons for, the Open Offer.

2. Information on Shanta Gold Limited

Shanta is an East Africa-focused gold producer, developer and explorer. It currently has defined ore resources on the New Luika and Singida projects in Tanzania and holds exploration licences over a number of additional properties in the country. Shanta's flagship NLGM commenced production in 2012 and produced 81,873 ounces in 2015.

On 6 May 2016 the Company released a trading update to the market, and the Company's full year audited results for the full year ended 31 December 2015 were published on 11 May 2016, both of these announcements are available on the Company's website (www.shantagold.com).

3. Background to and reasons for the Open Offer

The Directors believe that the Open Offer provides an opportunity for Qualifying Shareholders and/or Qualifying Loan Noteholders to participate in the proposed issue of the New Ordinary Shares on a pre-emptive basis whilst providing the Company will additional capital to invest in the business of the Group.

The Company intends to raise up to £2.5 million before expenses under the Open Offer.

The net proceeds of the Open Offer, combined with the net proceeds of the Placing, the US\$5.25 million Silver Streaming Agreement ("SSA") of silver by-product with Silverback Limited, Company cash flows, existing cash and other debt facilities, will provide Shanta with a significant degree of financial flexibility.

The net proceeds of the Open Offer (together with the proceeds raised from the Placing) will assist the Company to:

- (i) execute the Base Case Mine Plan;
- (ii) undertake the underground development of NLGM; and
- (iii) to progress satellite deposit exploration.

The Company is not reliant on the proceeds of the Open Offer to achieve its stated objectives and the Directors believe that the Company has sufficient funds from other sources of capital (including the Placing) to achieve the objectives outlined above.

4. Directors' Participation

Certain Directors have indicated their intention in respect of taking up some of their entitlement to subscribe for New Ordinary Shares under the Open Offer. Full details of the Directors participation will be confirmed and announced upon completion of the Open Offer, however details of the Directors intentions are set out below:

<i>Name</i>	<i>Proposed New Ordinary Shares taken up under the Open Offer⁽¹⁾</i>	<i>Proposed New Ordinary Shares taken up under their Excess Open Offer Entitlement⁽²⁾</i>
Anthony Durrant	247,101	2,899
Dr Toby Bradbury	18,750	481,250
Robin Fryer	75,000	45,000

(1) *Pro rata* to their Existing Ordinary Shares.

(2) Subject to availability and board's discretion to clawback.

5. Details of the Open Offer

5.1 *The Open Offer*

The Open Offer provides an opportunity for all Qualifying Shareholders and/or Qualifying Loan Noteholders to participate in the fundraising by acquiring Open Offer Shares *pro rata* to their current holdings of Existing Ordinary Shares and/or Existing Loan Notes. In addition to such *pro rata* entitlement, Qualifying Shareholders and/or Qualifying Loan Noteholders may apply for an additional amount of Open Offer Shares pursuant to the Excess Application Facility. Once subscriptions by Qualifying Shareholders and Qualifying Loan Noteholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders and/or Qualifying Loan Noteholders under the Excess Application Facility will be met in full, in part or at all. In any event the Company will not issue more than 38,471,534 New Ordinary Shares.

5.2 *Principal terms of the Open Offer*

The Qualifying Shareholders and the Qualifying Loan Noteholders are being given the opportunity to subscribe for the Open Offer Shares at a price of 6.5 pence per Open Offer Share, *pro rata* to their holdings of Existing Ordinary Shares and/or Existing Loan Notes (Qualifying Loan Noteholders being entitled to subscribe for an amount of Open Offer Shares, *pro rata*, as nearly as practicable to the number of Ordinary Shares which such holder would have held if all the Existing Loan Notes had been converted into Ordinary Shares immediately prior to the Record Date) on the Record Date on the basis of:

1 Open Offer Share for every 8 Existing Ordinary Shares

The Qualifying Shareholders and the Qualifying Loan Noteholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

The Placees have undertaken to the Company not to participate in the Open Offer, and are not entitled to take up their Open Offer Entitlement.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of approximately £2.5 million (approximately US\$3.7 million) for the Company.

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's and Qualifying Loan Noteholder's entitlement under the Open Offer will be rounded down to the nearest whole number. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility.

Qualifying Shareholders and/or Qualifying Loan Noteholders with holdings of Existing Ordinary Shares and/or Existing Loan Notes in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

To enable the Company to benefit from applicable exemptions to the requirement to prepare a prospectus in connection with the Open Offer, a maximum of 38,471,534 New Ordinary Shares, representing a total consideration of £2.5 million (€3.2 million), will be made available to Qualifying Shareholders and Qualifying Loan Noteholders under the Open Offer, which will be conducted on the basis of 1 New Ordinary Share for every 8 Existing Ordinary Shares (Qualifying Loan Noteholders being entitled to subscribe for an amount of Open Offer Shares, *pro rata*, as nearly as practicable to the number of Ordinary Shares which such holder would have held if all the Existing Loan Notes had been converted into Ordinary Shares immediately prior to the Record Date).

If applications for Open Offer Shares exceed the aggregate numbers of Open Offer Shares available pursuant to the Open Offer, subscriptions will be scaled back at the absolute discretion of the Company.

Shareholders and Loan Noteholders who are located in, or are citizens of, or have registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders and Overseas Loan Noteholders is drawn to paragraph 7 of Part IV of this document.

It should be noted that the Open Offer is not a rights issue. Accordingly, the Application Form is not a document of title and cannot be traded. Unlike a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders and Qualifying Loan Noteholders who do not take up their rights to subscribe under the Open Offer.

5.3 **Excess Application Facility**

The Excess Application Facility will enable Qualifying Shareholders and/or Qualifying Loan Noteholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements.

Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4(ii)(j) of Part IV of this circular for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders and/or Qualifying Loan Noteholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders and Qualifying Loan Noteholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders and/or Qualifying Loan Noteholders under the Excess Application Facility will be met in full, in part or at all.

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 23 May 2016. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 23 May 2016. Applications through the means of the CREST system may only be made by the Qualifying Shareholder and/or Qualifying Loan Noteholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. The Open Offer Shares must be paid in full on application.

Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders will have received an Application Form with this circular which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders should note that the Application Form is not a negotiable document and cannot be traded.

Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements at 8.00 a.m. on 23 May 2016. Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer

may only be made by the Qualifying Shareholder and/or Qualifying Loan Noteholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued and any outstanding Open Offer Entitlements will lapse. If applications are made for more than the number of New Ordinary Shares available under the Open Offer, being up to 38,471,534 New Ordinary Shares, the subscriptions will be scaled back at the absolute discretion of the Company.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part IV of this circular.

For Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders, completed Application Forms, accompanied by full payment, should be returned by post to Computershare Investor Services Plc, Corporate Actions Projects, Bristol, BS99 6AH or delivered 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 so as to be received no later than 11.00 a.m. on 6 June 2016. For Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders the relevant CREST instructions must have been settled as explained in this circular by no later than 11.00 a.m. on 6 June 2016.

5.4 **Other information relating to the Open Offer**

The Open Offer will result in the issue of up to 38,471,534 New Ordinary Shares assuming full take up under the Open Offer (representing, in aggregate, approximately 6.2 per cent. of the Enlarged Share Capital assuming full take up under the Open Offer). The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and therefore rank equally for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares. No temporary documents of title will be issued.

Qualifying Shareholders and Qualifying Loan Noteholders who do not take up any of their entitlements in respect of the Open Offer will experience dilution of approximately 12.5 per cent. to their interests in the Company because of the Open Offer.

6. **Application for Listing**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings for normal settlement in the New Ordinary Shares on AIM will commence at 8.00 a.m. on 7 June 2016.

7. **Actions to be Taken**

Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders

If you are a Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder 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 allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement or both your Open Offer Entitlement and any Excess Open Offer Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in section 4(i) of Part IV of this circular and on the Application Form itself.

Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders

If you are a Qualifying CREST Shareholder or Qualifying CREST Loan Noteholder and do not hold any Ordinary Shares or Existing Loan Notes in certificated form, no Application Form accompanies this circular and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer except (subject to certain exceptions) if you are an Overseas Shareholder or Overseas Loan Noteholder who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction. Applications by Qualifying CREST Shareholders and/or Qualifying CREST Loan Noteholder for Excess Open Offer Entitlements in excess of their Open Offer

Entitlements should be made in accordance with the procedures set out in section 4(ii) of Part IV of this circular, unless you are an Overseas Shareholder or Overseas Loan Noteholder in which event, applications should be made in accordance with the procedures set out in section 7 of Part IV of this circular.

The Placees are not entitled to take up their Open Offer Entitlement.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 6 June 2016. 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 entitlement under the Open Offer 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 circular.

Qualifying CREST Shareholders and Qualifying CREST Loan Noteholder who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this circular and the Open Offer.

8. Overseas Shareholders and Overseas Loan Noteholders

Information for Overseas Shareholders and Overseas Loan Noteholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in section 7 of Part IV of this circular, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder or an Overseas Loan Noteholders, it is important that you pay particular attention to that section of this circular.

9. Additional Information

Your attention is drawn to the additional information set out in Parts II to IV (inclusive) of this circular.

10. Directors' Recommendation

The Board believes that the Open Offer is in the best interests of the Company and the Shareholders as a whole, for the following reasons:

- (i) it (in conjunction with a number of other sources of capital) will assist the Company to deliver its business plan, including assisting the Company to (i) execute the Base Case Mine Plan (ii) undertake the underground development of NLGM and (iii) to progress satellite deposit exploration; and
- (ii) it provides an opportunity for Qualifying Shareholders and/or Qualifying Loan Noteholders to participate in the proposed issue of the New Ordinary Shares on a pre-emptive basis whilst providing the Company will additional capital to invest in the business of the Group.

Yours faithfully

Anthony Durrant
Non-Executive Chairman

PART II: RISK FACTORS

An investment in the New Ordinary Shares may not be suitable for all Qualifying Shareholders and/or Qualifying Loan Noteholders who receive this document and involves a number of risks. All the information set out in this document and, in particular, those risks relating to the Open Offer described below should be carefully considered prior to making any investment decision. Accordingly, you are strongly recommended to consult an investment adviser authorised under the FSMA if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser, who specialises in the acquisition of shares and other securities before making a decision to invest. In addition to all the other information contained in this document, potential investors should carefully consider the following risk factors which the Directors consider to be all the known material risks in respect of the business of the Company and its securities, but are not set out in any particular order of priority.

If any of the circumstances identified in the risk factors were to materialise, the Company's business, financial condition and operating results could be materially affected. Investors should note that the trading price of the New Ordinary Shares could decline due to any of these risks and investors may lose all or part of their investment.

Additional risks which are not presently known to the Board, or that the Board currently deems to be immaterial, may also have an effect on the Group's business, financial condition and operating results.

Risks relating to the Group's Business

The Group's mining licences and contracts

The Group's current exploration and mining operations are dependent upon the grant, renewal or continuance in force of appropriate surface and/or subsurface use contracts, licences, permits and regulatory approvals and consents which may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances. There can be no assurance that such surface and/or subsurface use contracts, licences, permits, regulatory approvals or consents would be granted, renewed or continue in force, or, if so, on what terms.

The Group's surface and/or subsurface use contracts and related working programmes contain a range of obligations on the Group, and there may be adverse consequences of breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the Group's surface and/or subsurface use licences and/or surface and/or subsurface use contracts.

Withdrawal of licences, termination of surface and/or subsurface use contracts or failure to secure requisite licences or the cession thereof or surface and/or subsurface use contracts in respect of any of the Group's operations may have a material adverse impact on the Group's business, operating results and financial condition.

Changes to the current political and regulatory environment in Tanzania or any other markets in which the Group operates in the future may adversely affect the Group

The Group's exploration and development activities are and will continue to be conducted in a variety of countries and markets. The political and economic conditions that currently exist in each of these countries and markets may change and national governments may adopt different policies with respect to foreign development and to ownership of natural resources at any time. Any changes in policy may result in changes in laws affecting the ownership of assets, licence tenure, taxation, royalties, exchange rates, environmental protection, labour relations, repatriation of income and return of capital. This may adversely affect both the Group's ability to undertake exploration and development activities on future properties as well as its ability to continue to explore and develop those properties for which it has obtained exploration rights to date.

Regulatory changes, if any, in extraction or investment policies or shifts in political attitude may adversely affect the Group's operations and future profitability. Operations may be affected in varying degrees by Government regulations with respect to, but not limited to, restrictions on production, price controls, export

controls, currency remittance, income and other taxes, foreign investment, maintenance of claims, environmental legislation, water use, employment and contractor selection.

Exchange Control Regulations

Some of the territories in which the Group operates employ, or may employ in the future, exchange control regulations which may adversely affect the Group's ability to transfer funds in and from such territories, and therefore the Group's ability to carry on its operations in such territories.

The profitability of the Group's operations and the cash flows generated by these operations are significantly affected by changes in the market price for gold

The market price for gold can fluctuate widely. These fluctuations are caused by numerous factors beyond the Group's control, including: speculative positions taken by investors or traders in gold; changes in the demand for gold use in jewellery, for industrial uses and for investment; changes in the supply of gold from production, disinvestment, scrap and hedging; financial market expectations regarding the rate of inflation; the strength of the US dollar (the currency in which the gold price is denominated) relative to other currencies; changes in interest rates; actual or expected gold sales by central banks; gold sales by gold producers in forward transactions; global or regional political or economic events; and costs of gold production in major gold-producing nations, such as China, the United States, South Africa, Australia, Peru and Russia.

The price of gold is often subject to sharp, short-term changes resulting from speculative activities and general world economic events. While the overall supply of, and demand for, gold can affect its market price, because of the considerable size of above ground stocks of the metal, in comparison to other commodities, these factors typically do not affect the price to the extent that the supply of, and demand for, other commodities tends to affect their market prices.

If revenue from gold sales, including the effects of hedging or other derivative instruments, falls below the cost of production for an extended period, the Group will experience losses and may be forced to curtail or suspend some or all of its capital projects and/or operations. In addition, the Group would have to assess the economic impact of low gold prices on its ability to recover any losses it may incur during that period and on its ability to maintain adequate cash and accounting reserves.

Information on Reserves and Resources

The Group's reported mineral resources and mineral reserves are reported in accordance with the Australasian Joint Ore Reserves Committee Code. There are numerous uncertainties inherent in estimating mineral resources, including factors beyond the control of the Group. The estimation of mineral resources and mineral reserves is a statistical process and the accuracy of any such estimation is a function of the quality of available data and of engineering and geological interpretation and judgement. Results of drilling, metallurgical testing, production, evaluation of mine plans and exploration activities subsequent to the date of any estimate may justify revision (up or down) of such estimates. There is no assurance that mineral resources can be economically mined. Mineral resources that have not been converted to mineral reserves do not have demonstrated economic viability. A mineral resource is a statement of in situ mineralisation. Mineral reserves are a statement of resources that are considered as commercially mineable according to ruling economic parameters at the time.

Only a certain proportion of estimated mineral resources will be translated into reserves and recovered as the Group proceeds to production on its development and exploration sites. There is no guarantee that they will be recovered at the volume, grade and rates estimated. The failure of the Group to achieve its production estimates is likely to have a material and adverse effect on any or all of its future cash flows, profitability, results of operations and financial condition. These production estimates are dependent on, among other things, the accuracy of mineral resource and reserve estimates, the accuracy of assumptions regarding mineral grades and recovery rates, ground conditions (including hydrology), physical characteristics of ores, such as hardness, the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining, ore haulage and processing.

Changes in the Group's capital costs and operating costs are likely to have a significant impact on its profitability. Its main planned production expenses will be mining costs, transport costs, treatment costs and overheads. Changes in costs of the Group's mining and processing operations can occur as a result of unforeseen events and could result in changes in profitability or resource estimates, including rendering certain mineral resources uneconomic to mine. Many of these changes may be beyond the Group's control.

The volume and grade of the ore the Group recovers may not conform to current expectations. Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's mineral resources and mineral reserves uneconomic to exploit and may result in revision of its mineral reserve estimates from time to time. Mineral reserve data is not necessarily indicative of future results of operations. If the Group's actual mineral reserves are less than current estimates, the Group's results of operations and financial condition may be materially impaired.

Third party contractors and providers of capital equipment can be scarce

The Group contracts or leases services and capital equipment from third party providers. Such equipment and services can be scarce and may not be readily available at times and places required. Scarcity of equipment and services and increased prices may in particular result from any significant increase in exploration and development activities on a region by region basis which might be driven by high demand for oil and gas. In some of the regions in which the Group operates there is demand for capital equipment and services. The unavailability of, or high costs incurred to obtain, such services and equipment could result in a delay or restriction in the Group's projects and adversely affect the feasibility and profitability of such projects and therefore have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Power stoppages, fluctuations and energy cost increases could adversely affect Shanta's results of operations and financial condition

The Group's mining operations are dependent on electrical power generated by local power companies and/or a dedicated power plant. Back-up power may be sourced from diesel generators where this is practical. Historically, the incidence of power outages has resulted in mining companies being required to reduce power consumption at operations to minimise the load on that country's power grid, leading to notable losses in production across the mining industry. The Company cannot give assurance as to a resumption of rolling power outages, voltage imbalances or reductions in availability that may impact future operations. Where the Company generates its own power, reliable power supply is dependent on the reliability of the internal combustion engines and a continual supply of fuel which could be impacted through events of extreme weather, political or community interference or market supply.

Shortages and interruptions in the water supply or significant increases in water tariffs could have an adverse effect on the business and financial condition

The Group's mining operations require significant amounts of water. The Group procures water from local water authorities in the Group's areas of operations. The Group is dependent on the availability of water in its areas of operations. If the local water authorities significantly increases prices, the Group could suffer from a reduction in its operating capacity and significantly higher production costs.

Estimates in financial statements

Preparation of consolidated financial statements requires the Group to use estimates and assumptions. Accounting for estimates requires the Group to use its judgement to determine the amount to be recorded in its financial statements in connection with these estimates. The Group's accounting policies regarding exploration and evaluation require management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of Ore Reserves or Mineral Resources have been found. In addition, the carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. If the estimates and assumptions are inaccurate, the Group could be required to write down the value of certain assets. On an ongoing basis, the Group re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Holding company structure and restrictions on dividends

The Company's operating results and its financial condition are dependent on the trading performance of members of the Group. The Company's ability to pay dividends will depend on the level of distributions, if any, received from the Company's subsidiaries. The Group's members may, from time to time, be subject to restrictions on their ability to make distributions to the Company, as a result of factors such as restrictive covenants contained within loan agreements, foreign exchange limitations and regulatory or fiscal restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Group's business, operating results and financial condition.

The Company has not, since the date of its incorporation, declared or paid any dividends on its Ordinary Shares, and does not yet have a policy with respect to the payment of dividends.

The Company does not plan to pay cash dividends on its Ordinary Shares for the foreseeable future although this will be reviewed periodically by the Board.

Uninsured risks

It is not always possible to obtain insurance against all risks facing the Group and the Group may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Group or to other companies in the mining industry on acceptable terms. Although the Group maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the Ordinary Shares.

Working Capital

The Company may need to raise additional funds in the future in order to develop further exploration and development programmes. Whether as a result of fluctuating market conditions, lack of market interest in the Company's industry sector or otherwise, this additional financing may not be available to the Company on acceptable terms. Additional equity financing may be dilutive to Shareholders and could contain rights and preferences superior to those of the New Ordinary Shares, while debt financing may involve restrictions on the Company's financing and operating activities or may not be available at reasonable cost. If the Company is unable to raise additional funds as needed, the scope of its operations may be reduced and or its interest in concessions may be diluted or may expire and, as a result, the Company may be unable to fulfil its medium to long-term exploration and development programme.

Currency risks

Currency fluctuations may affect the Group's revenue from its operations. The Group's revenue from gold sales, the Open Offer and other financing activities will be received in pounds sterling and US dollars, while a portion of its operating expenses will be incurred in other currencies, particular those of the countries in which it operates, namely Tanzania. Accordingly, foreign currency fluctuations may adversely affect the Group's financial position and operation results.

The Group currently uses commodity or derivative instruments to protect against a fall in gold prices for approximately 30 per cent. of its annual production over a period up to 9 months in advance. This may or may not protect the Group from the impact of any significant drop in the gold price.

Labour unions

As at the date of this document, the Group is not party to any collective bargaining agreements. It is expected that in the future, the employees engaged in the mining operations may be members of one or more labour unions and accordingly, the Group may ultimately be subjected to collective agreements with such labour unions.

Risks relating to key personnel

The Group's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Group must attract and retain additional highly qualified management and technical personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

Litigation

While the Group currently has no material outstanding litigation or dispute, there can be no guarantee that the current or future actions of the Group will not result in litigation since there have been a number of cases where the rights and privileges of mining companies have been the subject of litigation. The mining industry, as with all industries, may be subject to legal claims, both with and without merit, from time to time. The Directors cannot preclude that such litigation may be brought against the Group in the future. Defence and

settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Group's financial position, results or operations. The Group's business may be materially adversely affected if the Group and/or its employees or agents are found not to have met the appropriate standard of care or not exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

Environmental risks

In addition to industry accepted best practice, Tanzania has adopted environmental regulations requiring industrial companies to undertake programmes to reduce, control or eliminate various types of pollution and to protect natural resources. The Group must actively monitor specific emission levels, ambient air quality and quality of nearby surface water, the level of contaminants in soil and creation of solid waste. The Group must also submit an annual report on pollution levels to the environmental authorities. Environmental authorities may conduct additional testing to validate the Group's results.

Under local environmental laws and regulations, upon the cessation of mining operations, gold mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on current legal and regulatory requirements that may change materially. These are regulated by the respective regulations in the jurisdictions in which the Group operates.

As required under its mineral and prospecting licences the Group raises the necessary provisions for its estimated rehabilitation commitments that may arise on the cessation of prospecting and mining operations for environmental clean-ups of the territories covered by its mineral and prospecting licences. However, in the event that these funds are insufficient to meet the cost of the Group's obligations, the Group will be obliged to fund any such shortfall.

Competition

Whilst the Group will not experience competition for its sales, as gold is a worldwide commodity, it may encounter competition in identifying and acquiring exploration and development rights for attractive gold properties.

For the Group to expand its operations, it is likely to face competition from both domestic gold mining companies in such countries and any international gold mining companies which already have significant operations in these countries, together with potential new entrants into such markets, any of which might have greater financial, technological and other resources than the Group.

There is a high degree of competition for the discovery and acquisition of properties considered to have a commercial potential. The Group competes with other mining companies for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

The Group may not be able to generate sufficient cash to service all of its indebtedness, including but not limited to the Existing Loan Notes, the Investec facility, the Bank M facility, its obligations under the Silver Stream Agreement and Sandvik Facility, and may be forced to take other actions to satisfy its obligations under its indebtedness, which may not be successful.

The Group's ability to make scheduled payments on or to refinance its debt obligations and to fund planned capital expenditures and working capital requirements depends on its future performance and ability to generate cash, which is subject, among other things, to the success of the Group's business strategy, the development of NLGM, prevailing economic conditions and financial, competitive, legislative, legal, regulatory and other factors, including those other factors discussed in these "Risk Factors" many of which are beyond the Group's control.

The Group can make no assurances that it will be able to generate a level of cash flow from operating activities sufficient to permit the Group to pay the principal, premium, if any, and interest on its indebtedness, including those highlighted above, or that future borrowings will be available to the Group in an amount sufficient to enable it to service and repay the Existing Loan Notes and its other indebtedness (including those highlighted above) or to fund its other liquidity needs. If the Group defaults on the payments required

by the Existing Loan Notes or any future indebtedness or other current indebtedness (highlighted above), that indebtedness, together with debt incurred pursuant to debt agreements or instruments that contain cross-default or cross acceleration provisions may become payable on demand, and the Group may not have sufficient funds to repay all of its debts.

Furthermore, if the Group's cash flows and capital resources are insufficient to fund debt service obligations, it may be forced to reduce or delay investments and capital expenditures or to sell assets, seek additional capital or restructure or refinance its indebtedness, any of which will depend on the Group's cash needs, its financial condition at such time, the then prevailing market conditions and the terms of the Group's then existing debt instruments, which may restrict the Group from adopting some of these alternatives. Any failure to make payments of interest and principal on the Group's outstanding indebtedness on a timely basis would likely result in a reduction of the Group's credit rating, which could also harm its ability to incur additional indebtedness.

In addition, any refinancing of the Group's debt could be at higher interest rates and may require it to comply with more onerous covenants, which could further restrict the Group's business operations, and there can be no assurances that any assets which the Group could be required to dispose of could be sold or that, if sold, the timing of the sales and the amount of proceeds realized from those sales could be on acceptable terms.

The Group is subject to negative and positive debt covenants and its failure to comply with these covenants, including as a result of events beyond its control, could result in an event of default that could materially and adversely affect the Group's financial condition and results of operations (in particular, in such circumstances, the Group may not be able to finance the repayment of the indebtedness as a result of any such event of default which could have the consequences set out above).

Risks relating to the gold mining industry

Shanta is the limited holding company for a group of companies engaged in gold mining and exploration activities. Gold mining companies face many risks related to their operations (including their exploration and development activities) that may affect their cash flows and overall profitability.

Production of gold

Gold mining is susceptible to numerous events that may have an adverse impact on the Group's business, as well as the Group's ability to produce gold and to meet its production targets. The material risks faced by the Group are:

- environmental hazards, including discharge of metals, pollutants or hazardous chemicals;
- industrial accidents;
- underground fires;
- labour disputes;
- activities of illegal or artisanal miners;
- mechanical breakdowns;
- electrical power interruptions;
- encountering unexpected geological formations;
- unanticipated ground and water conditions;
- unanticipated increases in gold lock-up and inventory levels at the Group's metallurgical operations;
- fall-of-ground accidents in underground operations;
- legal and regulatory restrictions and changes to such restrictions;
- safety-related stoppages;
- seismic activity; and
- other natural phenomena, such as floods or inclement weather conditions.

Uncertainty and cost of mineral exploration and acquisitions

As part of its mine development, Shanta must undertake exploration activities in order that it can fully understand the geology across its mining and prospecting rights areas and successfully develop the mining operations to fully exploit its resources. Exploration activities are speculative and are often unproductive. These activities also often require substantial expenditure to establish gold resources or reserves through drilling and metallurgical and other testing techniques, determine appropriate recovery processes to extract gold from the ore and construct, renovate or expand mining and processing facilities.

Once gold mineralisation is discovered it can take several years to determine whether gold reserves exist. During this time the economic viability of production may change.

The Group may consider from time to time the acquisition of gold reserves, development properties and operating mines, either as stand-alone assets or as to be integrated into existing Group companies or operations. Its decisions to acquire these properties will be based on a variety of factors including historical operating results, estimates of and assumptions about future reserves, cash and operating costs, the gold price and projected economic returns and evaluations of existing or potential liabilities associated with each property and its operations. Other than historical operating results, all of these parameters may differ significantly from the Group's estimates and assumptions.

Mining companies are subject to extensive health, safety and environmental laws and regulations

Gold mining operations are subject to a variety of industry-specific health and safety laws and regulations depending upon the jurisdiction in which they are located. These laws and regulations are formulated to improve and to protect the safety and health of employees. Should compliance with any new standards require a material increase in expenditure or material interruptions to production, the Group's results in respect of operations and financial condition may be adversely affected.

Mining companies are also subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. These regulations establish limits and conditions on companies' ability to conduct their operations. The cost of the Group's compliance with environmental laws and regulations has been, and is expected to continue to be, significant. Environmental laws and regulations are continually changing and are generally becoming more restrictive. If environmental compliance obligations alter as a result of changes in laws and regulations, or in certain assumptions on the basis of which the Group estimates liabilities, or if unanticipated conditions arise at the Group's operations, expenses and provisions would increase. If material, these expenses and provisions could adversely affect the Group's results and financial condition.

Mining companies are required to close their operations and rehabilitate the lands that they mine in accordance with environmental laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold mining operations are significant. Environmental liabilities are accrued when they become known, probable and can be reasonably estimated. Regulators are continuously reviewing these regulations and any amendments could result in additional financial guarantees being required, negatively impacting on Group working capital. Costs associated with rehabilitating land disturbed by the mining processes and addressing the environmental, health and community issues are estimated and financial provision made based upon information available currently. Estimates may however, be insufficient and further environmental issues may be identified at any stage. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect the Group's asset values, earnings and cash flows.

Security risks and loss control issues

Whilst mine security and loss control procedures have been implemented, the risk remains of illegal mining, theft, threats to mine workers' lives and safety as well as industrial espionage, information loss and the loss of the operational efficiency of the mine.

Risks relating to emerging markets generally

Investors in companies whose assets are located in emerging economies such as Tanzania should be aware that these economies are subject to greater risk than more developed economies, including in some cases significant legal, regulatory, economic and political risks. Investors should also note that emerging economies are subject to rapid change and that the information set out in this document may become outdated. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of these risks, investing in the New Ordinary Shares is appropriate. Generally,

investment in a company whose assets are located in an emerging economy is only suitable for sophisticated investors who fully appreciate the significance of the risks involved and investors are urged to consult with their own legal and financial advisers before making an investment in the New Ordinary Shares.

The legal system in many emerging markets countries is less certain than more developed legal systems

Many emerging markets countries have a less developed legal system than more established economies, particularly with respect to mining operations, which may result in risks such as: (i) potential difficulties in obtaining effective legal redress in their courts, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of Governmental authorities; (iii) the lack of judicial or administrative guidance when interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In addition, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. Any difficulties faced by the Group arising from these uncertainties could have an adverse effect on the Group's business and financial condition and prospects.

Any downgrading of prevailing debt rating by an international rating agency could have a negative impact on the Group

Any adverse revision to the prevailing credit rating for domestic and international debt by any of the international rating agencies may adversely impact the Group's ability to raise future project financing and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on the Group's financial performance and its ability to obtain financing to fund its growth on favourable terms or at all.

National or regional instability could disrupt the Group's business and affect the price of the Ordinary Shares

Ongoing terrorist activity and armed conflicts may have a significant effect on international finance and commodity markets. Any future national or international acts of terrorism or armed conflicts in countries where the Group has operations or assets or in neighbouring countries or other parts of the world could have an adverse effect on the Group's operations, financial and commodities markets and the wider global economy and could adversely affect the Group's business and financial condition.

Acts of God and contagious diseases

Acts of God such as natural disasters and outbreaks of highly contagious diseases are beyond the control of the Group and may adversely affect the economy, infrastructure and livelihood of people in the countries in which the Group is operating or proposing to operate. The Group's business and profitability may be adversely affected should such acts of God and/or outbreaks occur and/or continue.

Bribery and corruption

The Group operates in a range of regions where its representatives may be exposed to potentially corrupt practices. There is no guarantee that the Group's policies will successfully protect the Group from such practices and their legal and financial consequences.

Risks relating to the Open Offer and the New Ordinary Shares

Future sales of Ordinary Shares could adversely affect the Share Price

Sales of additional Ordinary Shares into the public market following the Open Offer could adversely affect the market price of the Ordinary Shares if there is insufficient demand for the Ordinary Shares at the prevailing market price.

Share price may fluctuate

Publicly traded securities from time to time experience price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Ordinary Shares may prove to be volatile. The market price of the Ordinary Shares may fluctuate in response to a number of factors, many of which are beyond the Group's control, including: variations in operating

results in the Group's reporting periods; changes in financial estimates by securities analysts; changes in market valuation of similar companies; announcements by the Group of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments; changes to Mineral Resource and Reserve statements; additions or departures of key personnel; any shortfall in revenues or net income or any increase in losses from levels expected by securities analysts; future issues or sales of Ordinary Shares; and stock market price and volume fluctuations. Any of these events could result in a material decline in the price of the Ordinary Shares.

Holders of Existing Ordinary Shares who do not acquire Open Offer Shares pursuant to the Open Offer will experience a further dilution of their percentage ownership of the Company's Ordinary Shares

Shareholders' proportionate ownership and voting interest in the Company will be reduced pursuant to Open Offer to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

The issuance of additional Ordinary Shares in the Company may dilute all other shareholdings.

The Group may issue additional equity, whether in connection with the Existing Loan Notes, further convertible equity securities, share incentive or option plans or otherwise. The Articles of the Company do not contain any rights of pre-emption in favour of existing Shareholders. As a result, the Company's existing shareholders would suffer dilution in their percentage ownership. Shareholders may also suffer dilution in their voting interest upon the conversion of the Existing Loan Notes into Ordinary Shares.

Other risk factors

The Existing Ordinary Shares are traded on AIM, rather than the main market of the London Stock Exchange. 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 and traded on the main market of the London Stock Exchange.

Investors should be aware that the value of the Ordinary 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 Ordinary Shares on AIM may have limited liquidity.

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their shares in the Company 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.

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 circular may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser, who is authorised under the FSMA and who or which specialises in investments of this kind before making a decision to invest.

PART III:

SOME QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part III of this circular are intended to be in general terms only and, as such, you should read Part IV of this circular for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are resident 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 the Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder or Overseas Loan Noteholder, you should read section 7 of Part IV of this circular 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 Entitlements or apply for Excess Shares pursuant to the Excess Application Facility. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV of this circular 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 Ordinary Shares are in certificated or uncertificated form, please call the Shareholder helpline on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside the UK. Lines are open between 8.30 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes.

The contents of this circular 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 circular is for your information only and nothing in this circular 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 may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer). The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders and Qualifying Loan Noteholders to apply to acquire an aggregate of up to 38,471,534 Open Offer Shares at a price of 6.5 pence per New Ordinary Share. If you hold Existing Ordinary Shares (provided that you hold 8 or more such shares) or Existing Loan Notes on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder or Loan Noteholder with a registered address or located in the United States or another Restricted Jurisdiction or you participated in the Placing, you will be entitled to apply for Open Offer Shares under the Open Offer.

The Qualifying Shareholders and the Qualifying Loan Noteholders are being given the opportunity to subscribe for the Open Offer Shares at a price of 6.5 pence per Open Offer Share, *pro rata* to their holdings of Existing Ordinary Shares and/or Existing Loan Notes (Qualifying Loan Noteholders being entitled to subscribe for an amount of Open Offer Shares, *pro rata*, as nearly as practicable to the number of Ordinary Shares which such holder would have held if all the Existing Loan Notes had been converted into Ordinary Shares immediately prior to the Record Date) on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to apply for an Open Offer Share in respect of any fraction of an Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders or the Qualifying Loan Noteholders but will be made available under the Excess Application Facility.

The Placees are not entitled to take up their Open Offer Entitlements pursuant to the terms of the Placing.

Applications by Qualifying Shareholders and Qualifying Loan Noteholders will be satisfied in full up to the amount of their individual Open Offer Entitlement. Qualifying Shareholders and Qualifying Loan Noteholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility. Once subscriptions by Qualifying Shareholders and Qualifying Loan Noteholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full, in part or at all and no assurance can be given that applications by Qualifying Shareholders and/or Qualifying Loan Noteholders under the Excess Application Facility will be met in full, in part or at all.

The number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. Assuming that there is no Overseas Shareholder or Overseas Loan Noteholder who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction, and if every Qualifying Shareholder and Qualifying Loan Noteholders takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility.

Qualifying Shareholders and Qualifying Loan Noteholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders 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), and 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 or Qualifying Loan Noteholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

2. I hold my Existing Ordinary Shares and/or Existing Loan Notes in certificated form. How do I know whether I am able to acquire Open Offer Shares under the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or located in the United States or another Restricted Jurisdiction, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares and/or Existing Loan Notes before 20 May 2016 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3. I hold my Existing Ordinary Shares or Existing Loan Notes in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you are a Qualifying Shareholder or Qualifying Loan Noteholder and hold your Existing Ordinary Shares or Existing Loan Notes (as the case may be) in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or another Restricted Jurisdiction, you have been sent an Application Form that shows:

- how many Existing Ordinary Shares or Existing Loan Notes you held at on close of business on 18 May 2016 (the Record Date for the Open Offer);
- 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 another Restricted Jurisdiction, you will not receive an Application Form. If you are a Placee you are not entitled to take up your Open Offer Entitlements pursuant to the terms of the Placing.

If you would like to apply for any of, all of or more than 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 circular. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or a duly endorsed banker’s draft for the number of Open Offer Shares you want to apply for and allow at least four Business Days for delivery if sent by first class post from within the United Kingdom. Please also see questions 4 and 11 for further help in completing the Application Form.

4. I am a Qualifying Shareholder or Qualifying Loan Noteholder with a registered address in the UK, I hold my Existing Ordinary Shares or Existing Loan Notes in certificated form and I am not a Placée. What are my choices in relation to the Open Offer and what should I do with the Application Form?

(a) 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 sign and send the Application Form, together with your cheque or banker's draft for the full amount (as indicated in Box C of your Application Form), payable to "Computershare Investor Services Plc re: Shanta Gold Limited Open Offer Acceptance A/C" and crossed "A/C payee only", in the reply-paid envelope provided, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE to arrive by no later than 11.00 a.m. on 6 June 2016.

Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in the Application Form. 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 13 June 2016.

(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 Box D of your Application Form; for example, if you are entitled to take up 100,000 shares but you only want to take up 50,000 shares, then you should write '50,000' in Box D.

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 '50,000') by £0.065, which is the price in pounds of each Open Offer Share (giving you an amount of £3,250 in this example). You should write this amount in Box G, rounding down to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then sign and return your Application Form together with your cheque or duly endorsed banker's draft for that amount, payable to "Computershare Investor Services Plc re: Shanta Gold Limited Open Offer Acceptance A/C" and crossed "A/C payee only", in the reply-paid envelope provided, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to arrive by no later than 11.00 a.m. on 6 June 2016, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part IV of this circular and will be set out in the Application Form.

All payments must be in pounds sterling and made by cheque made payable to "Computershare Investor Services Plc RE: Shanta Gold Limited Open Offer A/C" and crossed "A/C Payee Only". Cheques 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 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 may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques 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 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 13 June 2016.

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

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders and/or Qualifying Loan Noteholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. You should write the number of Open Offer Shares you wish to take up in Box D, which must be the number of Open Offer Shares shown in Box B. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box E and then complete Box F by adding together the numbers you have entered in Boxes D and E.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box F by £0.065, which is the price of each Open Offer Share. You should write this amount in Box G, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to "Computershare Investor Services Plc re: Shanta Gold Limited Open Offer Acceptance A/C" and crossed "A/C payee only", in the reply-paid envelope provided by post to Computershare Investor Services Plc, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to arrive by no later than 11.00 a.m. on 6 June 2016, after which time the Application Form will not be valid.

All payments must be in pounds sterling and made by cheque made payable to Computershare Investor Services Plc re: Shanta Gold Limited – Open Offer A/C and crossed "A/C Payee Only". Cheques 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 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 may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form.

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 may be allocated in such manner as the Directors may determine in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders and/or Qualifying Loan Noteholders will be met in full or in part or at all. Therefore, applications under the Excess Application Facility may not be satisfied in full and no assurance can be given. In this event Qualifying Shareholders and/or Qualifying Loan Noteholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, the relevant Qualifying Shareholder or Qualifying Loan Noteholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

A definitive share certificate will 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 13 June 2016.

(d) ***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 placed, as would happen under a rights issue. Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders or the Qualifying Loan Noteholders who do not apply under the Open Offer.

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 diluted by approximately 12.5 per cent. (assuming the take-up in full of the Open Offer).

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 6 June 2016, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

5. I hold my Existing Ordinary Shares or Existing Loan Notes in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part IV of this circular. Persons who hold Existing Ordinary Shares or Existing Loan Notes through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to take up or apply for under their Open Offer Entitlement and their Excess CREST Open Offer Entitlement respectively, and should contact their CREST member should they not receive this information.

6. I acquired my Existing Ordinary Shares or Existing Loan Notes prior to the Record Date and hold my Existing Ordinary Shares or Existing Loan Notes 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 but hold your Existing Ordinary Shares or Existing Loan Notes in certificated form, this probably means that you are not able to acquire Open Offer Shares under the Open Offer. Some Qualifying non-CREST Shareholders and/or Qualifying non-CREST Loan Noteholders, however, will not receive an Application Form but may still be eligible to acquire New Ordinary Shares under the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 18 May 2016 and who have converted them to certificated form;
- Qualifying CREST Loan Noteholders who held their Existing Loan Notes in uncertificated form on 18 May 2016 and who have converted them to certificated form;
- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before or on 18 May 2016 and who hold such ordinary shares in certificated form but were not registered as the holders of those shares at the close of business on 18 May 2016;
- Qualifying non-CREST Loan Noteholders who bought Existing Loan Notes in uncertificated form on 18 May 2016 and who hold such Existing Loan Notes in certificated form but were not registered as the holders of those Existing Loan Notes at the close of business on 18 May 2016; and
- certain Overseas Shareholders and/or Overseas Loan Noteholders.

If you are a Placee you are not entitled to take up your Open Offer Entitlements pursuant to the terms of the Placing.

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 on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. – 5.30 p.m., Monday

to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

7. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?

If you bought Existing Ordinary Shares after the Record Date you are unlikely to be able to participate in the Open Offer, as the Existing Ordinary Shares are expected to start trading ex-entitlement on the London Stock Exchange at 8.00 a.m. on 20 May 2016.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Existing Ordinary Shares at or after 8.00 a.m. on 20 May 2016, you will not be eligible to participate in the Open Offer in respect of those Existing Ordinary Shares.

8. Can I trade my Open Offer Entitlement?

Qualifying Shareholders and Qualifying Loan Noteholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non- CREST Shareholders and Qualifying non CREST-Loan Noteholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders should note that, although Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders and Qualifying Loan Noteholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Offer Shares for which an 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 Shareholders and Qualifying Loan Noteholders 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. The Open Offer Shares are not underwritten.

9. What if I change my mind?

If you are a Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder, 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 you have applied for, except in very limited circumstances which are set out in this document.

10. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of New Ordinary Shares may be aggregated and sold by Peel Hunt for the benefit of the Company.

11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box C of the Application Form?

If you want to spend more than the amount set out in Box C you should divide the amount you want to spend by £0.065 (being the price in pounds of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £10,000 you should divide £10,000 by £0.065, which comes to 153,846.154. You should round that down to 153,846 to give you the number of Open Offer Shares for which, in this example, you can apply without exceeding your chosen amount. Write the total number of Open Offer Shares (in this example 153,846) in Box F. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to

apply for (153,846) by £0.065 and then fill in that amount rounded down to the nearest whole penny (in this example being £9,999.99), in Box G and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders and Qualifying Loan Noteholders under the Excess Application Facility will be met in full, in part or at all. Placees are not entitled to take up their Open Offer Entitlement pursuant to the terms of the Placing.

Assuming that there are no Overseas Shareholders or Overseas Loan Noteholders who have registered addresses in, or are residents in or citizens of a Restricted Jurisdiction, and if every Qualifying Shareholder and Qualifying Loan Noteholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box C, you should divide the amount you want to spend by £0.065 (being the price, in pounds, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £5,000 you should divide £5,000 by £0.065. You should round that down to the nearest whole number (in this example, 76,923), to give you the number of shares you want to take up. Write that number (in this example, 76,923) in Box D. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 76,923) by £0.065 and then fill in that amount rounded down to the nearest whole penny (in this example being £4,999.99) in Box G and on your cheque or banker's draft accordingly.

12. I hold my Existing Ordinary Shares or Existing Loan Notes in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares or Existing Loan Notes?

If you hold shares or loan notes in the Company directly and you sell some or all of your Existing Ordinary Shares or Existing Loan Notes before or on 18 May 2016, you should contact the buyer or the person/company through whom you sell your shares or loan notes. The buyer may be entitled to apply for Open Offer Shares under the Open Offer.

If you sell any of your Existing Ordinary Shares or Existing Loan Notes on or after 18 May 2016, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

13. I hold my Existing Ordinary Shares or Existing Loan Notes in certificated form. How do I pay?

You should return your Application Form with a cheque or a duly endorsed banker's draft drawn in pounds sterling on a UK bank or building society account in the accompanying reply-paid envelope (from within the United Kingdom). You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. Cheques should be drawn on a personal account of the Qualifying Shareholder who is applying for the Open Offer Shares and must bear the appropriate sort code in the top right hand corner. Third party cheques will not be accepted. You may be required to supply additional documentation to satisfy Money Laundering Regulations. The funds should be made payable to "Computershare Investor Services Plc re: Shanta Gold Limited Open Offer Acceptance A/C ". In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted.

14. Will the Existing Ordinary 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.

15. I hold my Existing Ordinary Shares or Existing Loan Notes in certificated form. Where do I send my Application Form?

You should send your completed Application Form and payment in full in the accompanying reply-paid envelope (from within the United Kingdom) by post to Computershare Investor Services Plc, Corporate Actions Projects, Bristol, BS99 6AH or by hand to: Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. You should allow at least four Business Days for delivery if using first class post within the United Kingdom.

If you do not want to take up or apply for Open Offer Shares then you need take no further action.

16. I hold my Existing Ordinary Shares or Existing Loan Notes in certificated form. When do I have to decide whether I want to apply for Open Offer Shares?

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 6 June 2016. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

17. I hold my Existing Ordinary Shares or Existing Loan Notes in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?

It is expected that the Registrar will post all new share certificates by 13 June 2016.

18. What should I do if I think my holding of Existing Ordinary Shares or Existing Loan Notes (as shown in Box A on page 1 of the Application Form) is incorrect?

If you bought or sold Existing Ordinary Shares or Existing Loan Notes shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares on or before 18 May 2016 but were not registered as the holder of those shares or loan notes on the Record Date for the Open Offer (18 May 2016), you may still be eligible to participate in the Open Offer. Placees are not entitled to take up their Open Offer Entitlements pursuant to the terms of the Placing. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure that you claim your entitlement.

You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares or Existing Loan Notes acquired on or after 18 May 2016.

19. 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 another Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in section 7 of Part IV of this circular.

20. What should I do if I subscribed for new Ordinary Shares under the Placing?

Shareholders that subscribed for new Ordinary Shares under the Placing undertook not to participate in the Open Offer, and therefore you are not eligible to participate in the Open Offer.

21. Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

22. How do I transfer my entitlements into the CREST system?

If you are a Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you would complete the CREST deposit form (Box O on page 4 of the Application Form), and ensure they are delivered to CCSS to be received by 3.00 p.m. on 1 June 2016 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your rights into the CREST system, you should refer to Part IV of this circular for details on how to pay for the Open Offer Shares.

23. Do I need to comply with the Money Laundering Regulations (as set out in section 5 of Part IV of this circular)?

If you are a Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder, you may not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than €15,000 (or its pounds sterling equivalent) or if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder or Qualifying CREST Loan Noteholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution.

Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders should refer to section 5(i) of Part IV of this circular and Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders should refer to section 5(ii) of Part IV of this circular for a fuller description of the requirements of the Money Laundering Regulations.

24. Further assistance

Should you require further assistance please call the Computershare helpline on 0370 707 4040 from within the UK or on +44 (0)370 707 4040 if calling from outside the UK. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons Computershare is only able to provide information contained in this circular and information relating to Shanta'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

To Qualifying Shareholders and Convertible Loan Note Holders

1. Introduction

As explained in Part I of this circular, the Company is proposing to issue up to 38,471,534 New Ordinary Shares pursuant to the Open Offer to raise up to £2.5 million, assuming a full take-up. Upon completion of the Open Offer, assuming a full take-up, the Open Offer Shares will represent approximately 6.2 per cent. of the Enlarged Share Capital.

The Open Offer is being made by the Company and gives Qualifying Shareholders and Qualifying Loan Noteholders the opportunity to apply for, the:

Open Offer Shares at the Issue Price, being 6.5 pence

pro rata as nearly as practicable to their current holdings of Ordinary Shares or, in the case of Loan Noteholders, to the number of Ordinary Shares which the Qualifying Loan Noteholders would have held had their Existing Loan Notes converted immediately prior to the Record Date, as the case may be.

Qualifying Shareholders and Qualifying Loan Noteholders are being offered the opportunity under the Open Offer to acquire New Ordinary Shares at the Issue Price, being the same price per share as they are being offered to Placees under the Placing.

Placees are not entitled to take up their Open Offer Entitlements pursuant to the terms of the Placing.

A summary of the arrangements relating to the Open Offer is set out below. This circular and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part IV which gives details of the procedure for application and payment for the Open Offer Shares.

2. The Open Offer

Subject to the fulfilment of the terms and conditions referred to below and, where relevant, set out in the Application Form, Qualifying Shareholders and Qualifying Loan Noteholders are hereby invited to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) in the case of Qualifying Shareholders, 1 Open Offer Share for every 8 existing Ordinary Shares held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; or
- (b) in the case of Qualifying Loan Noteholders, 1 Open Offer Share for every 8 existing Ordinary Shares, calculated by reference to the number of Ordinary Shares which such Qualifying Loan Noteholders would have held had their Existing Loan Notes been converted into Ordinary Shares immediately prior to the Record Date; and
- (c) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders and/or Qualifying Loan Noteholders apply for their Open Offer Entitlement in full and at the discretion of the Company).

To enable the Company to benefit from exemptions to the requirement to prepare a prospectus in connection with the Open Offer, a maximum of 38,471,534 New Ordinary Shares, representing a total consideration of £2.5 (€3.2), will be made available to Qualifying Shareholders and/or Qualifying Loan Noteholders under the Open Offer. The Placees are not entitled to participate in the Open Offer pursuant to the terms of the Placing.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. Fractions of Open Offer Shares will not be allotted, each Qualifying Shareholder's and/or Qualifying Loan Noteholder's entitlement being rounded down

to the nearest whole number, with fractional entitlements being aggregated and made available under the Excess Application Facility.

Qualifying Shareholders and Qualifying Loan Noteholders may apply for any whole number of Open Offer Shares up to their maximum entitlement which, in the case of Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders and Qualifying CREST Noteholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlement. For the avoidance of doubt, Placees are not entitled to participate in the Open Offer.

The Excess Application Facility will enable Qualifying Shareholders and Qualifying Loan Noteholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders and Qualifying CREST Noteholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4(ii)(j) of Part IV of this circular for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Applications for Excess Open Offer Entitlements will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders and Qualifying Loan Noteholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders and Qualifying Loan Noteholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders and/or Qualifying Loan Noteholders under the Excess Application Facility will be met in full, in part or at all.

Any monies paid for applications in excess of their Open Offer Entitlements which are not so satisfied will be returned to the applicant (at the applicant's risk) without interest within 14 days by way of cheque or CREST payment, as appropriate. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

Not all Shareholders or Loan Noteholders will be Qualifying Shareholders. Overseas Shareholders and Loan Noteholders who are located in, or who are citizens of, or have a registered address in certain overseas jurisdictions (including, without limitation, any Restricted Jurisdiction) will not qualify to participate in the Open Offer nor will Placees who participated in the Placing. The attention of Overseas Shareholders, Loan Noteholders or any person (including without limitation a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this circular into a jurisdiction other than the United Kingdom is drawn to section 7 of this Part IV.

If you have received an Application Form with this circular, please refer to section 4(i) and sections 5 to 8 of this Part IV.

If you hold your Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to section 4(ii) and sections 5 to 8 of this Part IV and also to the CREST Manual for further information on the CREST procedures referred to below.

The existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission of the Open Offer Shares will become effective and that dealings for normal settlement in the Open Offer Shares on AIM will commence at 8.00 a.m. on 7 June 2016.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares; all of such shares, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders and Qualifying CREST Noteholders to be admitted to CREST. It is

expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 23 May 2016. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 23 May 2016. Applications through the means of the CREST system may only be made by the Qualifying Shareholder or Qualifying CREST Noteholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders will have received an Application Form with this circular which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders and Qualifying CREST Noteholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 23 May 2016. Any Placees that receive a credit to their appropriate stock accounts in CREST, are not entitled to apply for the Open Offer Entitlements.

The New Ordinary Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares. No temporary documents of title will be issued.

The Open Offer is not a rights issue. Qualifying Shareholders and Qualifying Loan Noteholders should be aware that in the Open Offer, unlike in a rights issue, entitlements to Open Offer Shares will neither be tradeable nor sold in the market and in the event that any Open Offer Shares not applied for are sold or placed in the market, this will be for the benefit of the Company and not the Qualifying Shareholders or Qualifying Loan Noteholders who do not apply under the Open Offer.

Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder or Qualifying CREST Loan Noteholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear UK & Ireland's Claims Processing Unit. Qualifying non-CREST Shareholders and and Qualifying non-CREST Loan Noteholders should note that the Application Form is not a negotiable document and cannot be traded.

Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this circular, including in particular the important information set out in the letter from the Chairman in Part I of this circular, as well as this Part IV and the Risk Factors set out in Part II of this circular.

3. Conditions of the Open Offer

(a) Qualifying Shareholders

The Open Offer is conditional, *inter alia*, upon Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 7 June 2016 (or such later time and/or date as Peel Hunt and the Company may agree, not being later than 8.00 a.m. on 17 June 2016).

Accordingly, if the conditions are not satisfied, or, if applicable, waived, the Open Offer will not proceed. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

Placees that participated in the Placing are not entitled to take up their Open Offer Entitlements.

No temporary documents of title will be issued in respect of Offer Shares held in uncertificated form. Definitive certificates in respect of Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form within 5 business days of Admission.

In respect of those Qualifying Shareholders who have validly elected to hold their Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 7 June 2016.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 7 June 2016, when dealings in the Open Offer Shares are expected to begin. If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

(b) **Qualifying Loan Noteholders**

Subject to the terms and conditions of the Open Offer set out in this circular (and, where relevant, in the Application Form), Qualifying Loan Noteholders are being given the opportunity to apply for Ordinary Shares at the Issue Price (payable in full on application and free of all expenses) up to a maximum of their *pro rata* entitlement. This will be calculated by reference to the number of Ordinary Shares which such Qualifying Loan Noteholders would have held had their Existing Loan Notes been converted into Ordinary Shares immediately prior to the Record Date on the basis of:

1 Open Offer Share for every 8 existing Ordinary Shares

in each case registered in the name of each Qualifying Loan Noteholder at the Record Date and so in proportion for any other number of Existing Loan Notes then registered. Fractions of Open Offer Shares will not be allotted, each Qualifying Loan Noteholder's entitlement being rounded down to the nearest whole number, with fractional entitlements being aggregated and made available under the Excess Application Facility. Holdings of Existing Loan Notes in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Applications by Qualifying Loan Noteholders will be satisfied in full up to the amount of their individual Open Offer Entitlement. Loan Noteholders that participated in the Placing are not entitled to participate in the Open Offer.

The Application Form shows the number of Existing Loan Notes registered in the relevant Qualifying non-CREST Loan Noteholder's name at the Record Date (in Box 1), and, in relation to the Qualifying non-CREST Loan Noteholder's the number of Ordinary Shares which a Qualifying Loan Noteholder would have had his or her Existing Loan Notes converted into Ordinary Shares (in Box A) and the maximum nominal amount of Open Offer Shares, for which they are entitled to apply pursuant to their Open Offer Entitlement (in Box B).

Qualifying CREST Loan Noteholders will have Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4(ii) of this Part IV and also to the CREST Manual for further information on the relevant CREST procedures.

4. Procedure for application and payment

Save as provided in section 7 of this Part IV in relation to Overseas Shareholders, 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, including the Excess Application Facility, or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

Placees are not entitled to take up their Open Offer Entitlements including any entitlement that such Placees have in respect of the Existing Loan Notes.

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares, and Qualifying Loan Noteholders who hold their Existing Loan Notes, in certificated form (as applicable) will receive the Application Form, enclosed with this document. The Application Form shows, in relation to the Qualifying non-CREST Shareholders, the number of Existing Ordinary Shares held in certified form at the Record Date and, in relation to the Qualifying non-CREST Loan Noteholder's the number of Ordinary Shares which a Qualifying Loan Noteholder would have had his or her Existing Loan Notes converted into Ordinary Shares. It will also show Qualifying Shareholders and Qualifying Loan Noteholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders and Qualifying Loan Noteholders who hold all their Existing Ordinary Shares and/or Existing Loan Notes in CREST will be allotted Open Offer Shares in CREST.

Qualifying Shareholders who hold part of their Existing Ordinary Shares and Qualifying Loan Noteholders who hold their Existing Loan Notes, in uncertificated form (as applicable) on the Record Date and who take up Open Offer Shares under their entitlement will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares or Existing Loan Notes in uncertificated form. Further information on deposit into CREST is set out in paragraph 4(ii)(f) of this Part IV.

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 and Excess CREST 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 and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

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

Qualifying Shareholders and/or Qualifying Loan Noteholders who do not want to apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

(i) ***If you have an Application Form in respect of your entitlement under the Open Offer***

(a) *General*

Subject to section 7 of this Part IV in relation to Overseas Shareholders, each Qualifying non-CREST Shareholder and each Qualifying non-CREST Loan Noteholders will have received an Application Form accompanying this circular. The Application Form shows the number of Existing Ordinary Shares or Existing Loan Notes registered in the relevant Qualifying non-CREST Shareholder's or Qualifying non-CREST Loan Noteholder's (as applicable) name at the close of business on the Record Date. It also shows the number of Open Offer Shares for which such relevant Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholders is entitled to apply under the Open Offer, calculated on the basis set out in section 2 of this Part IV, above. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available to the Excess Application Facility. Qualifying non-CREST Shareholders and/or Qualifying non-CREST Loan Noteholders may also apply for less than their maximum Open Offer Entitlements.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

The Excess Application Facility enables Qualifying Shareholders and/or Qualifying Loan Noteholders who have taken up their full Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications in excess of the Open Offer Entitlement will only be satisfied to the extent that applications made by other Qualifying Shareholders and/or Qualifying Loan Noteholders are less than their full Open Offer Entitlements and may therefore be scaled down at the Company's sole discretion. No assurance can be given that excess applications by Qualifying Shareholders and/or Qualifying Loan Noteholders will be met in full or in part or at all.

The instructions and other terms which are set out in the Application Form constitute part of the terms of the Open Offer.

(b) *bona fide Market Claims*

Applications for Open Offer Shares (including under the Excess Application Facility) may only be made on the Application Form and may only be made by the Qualifying Shareholder and/or Qualifying Loan Noteholders named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of existing Ordinary Shares (or, in the case of Qualifying non-CREST Loan Noteholders, Existing Loan Notes) through the market prior to the date upon which the

existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by AIM, being 20 May 2016. Application Forms may be split up to 3.00 p.m. on 2 June 2016.

Qualifying non-CREST Shareholders and/or Qualifying non-CREST Loan Noteholders may also apply for Excess Shares in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes D, E, F and G of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in section 4(i)(g) of this Part IV.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder and/or Qualifying non-CREST Loan Noteholders who have sold or transferred all or part of his holding of existing Ordinary Shares (or, in the case of Qualifying non-CREST Loan Noteholders, Existing Loan Notes) prior to 20 May 2016, being the date upon which the existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by AIM, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer (including under the Excess Application Facility) may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders and/or Qualifying Loan Noteholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the any of the Restricted Jurisdictions or to US persons, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation.

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 paragraph 4(ii)(b) below.

A Qualifying non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents.

(c) *Application Procedures*

Applications for Open Offer Shares (including under the Excess Application Facility) by Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders may only be made on the Application Form, which is personal to the Qualifying non-CREST Shareholder(s) or Qualifying non-CREST Loan Noteholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below.

Qualifying non-CREST Shareholders and/or Qualifying non-CREST Loan Noteholders may also apply for Excess Shares in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes D, E, F and G of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 4(i)(g) of this Part IV.

A Qualifying non-CREST Shareholder and/or Qualifying non-CREST Loan Noteholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents.

If you are a Qualifying non-CREST Shareholder and/or Qualifying non-CREST Loan Noteholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (including any application for any Excess Shares under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to Computershare Investor Services Plc, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only)

to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to arrive no later than 11.00 a.m. on 6 June 2016. A reply paid envelope is enclosed for use by Qualifying non-CREST Shareholders in connection with the Open Offer. Your Application Form will not be valid unless you sign it.

The Application Form represents a right personal to the Qualifying non-CREST Shareholder and/or Qualifying non-CREST Loan Noteholder to apply to subscribe for Open Offer Shares (including under the Excess Application Facility); it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange.

Application Forms may be split up to 3.00 p.m. on 2 June 2016 but only to satisfy such *bona fide* market claims. Qualifying non-CREST Shareholders and/or Qualifying non-CREST Loan Noteholder who have before the 'ex' date sold or transferred all or part of their registered holdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or another professional adviser authorised under the FSMA as soon as possible, since the invitation to apply for Open Offer Shares (including under the Excess Application Facility) may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

Qualifying non-CREST Shareholders and/or Qualifying non-CREST Loan Noteholders who submit a valid application using the Application Form and accompanying payment will (subject to the terms and conditions set out in this Part IV, in the letter from the Chairman of the Company in Part I and in the Application Form) be allocated the Open Offer Shares applied for in full at the Issue Price (subject to the Company's discretion to accept, reject or scale back any application for any Open Offer Shares).

Applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid.

Multiple applications will not be accepted. 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.

If Open Offer Shares have already been allotted to a Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder and such Qualifying non-CREST Shareholder's or Qualifying non-CREST Loan Noteholder's cheque or a duly endorsed banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's or Qualifying non-CREST Loan Noteholder's application is subsequently otherwise deemed to be invalid, the Company shall arrange (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Qualifying non-CREST Shareholder's or Qualifying non-CREST Loan Noteholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, the Company or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders or Qualifying non-CREST Loan Noteholders.

Please note that the Company's Registrars cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer. If any Application Form is sent by first class post within the United Kingdom, Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholder's are recommended to allow at least four Business Days for delivery. The Company may in its absolute discretion elect to accept Application Forms and remittances after that date. The Company may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 6 June 2016 from an authorised person

(as defined in FSMA) specifying the number of Open Offer Shares concerned, and undertaking to lodge the relevant Application Form in due course.

(d) *Payments*

All payments must be in pounds sterling and cheques or duly endorsed banker's drafts should be made payable to "Computershare Investor Services Plc re: Shanta Gold Limited Open Offer Acceptance A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on the personal account of the individual investor to which they have sole or joint title to the funds and must be drawn on an account at a branch or 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 the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses 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 may not be accepted except Building Society cheques or bankers' drafts where the Building Society or bank has confirmed the name of the account holder by stamping and endorsing the Building Society cheque or bankers' draft on the reverse to such effect.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct its Registrars 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 allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company and/or Peel Hunt (on the Company's behalf) may elect in their absolute discretion 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.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 7 June 2016 or such later time and date as the Company shall agree (being no later than 8.00 a.m. on 17 June 2016), the Open Offer will lapse and application monies will be returned by post to Applicants, at the Applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter.

The Company shall as soon as possible after 7 June 2016 refund any payment received with respect to an application for a number of Open Offer Shares in respect of an Open Offer Entitlement which has been rejected in whole or in part by the Company.

If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Open Offer Shares have already been allotted to a Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder and such Qualifying non-CREST Shareholder's or Qualifying non-CREST Loan Noteholder's cheque is not honoured upon first presentation or such Qualifying non-CREST Shareholder's or Qualifying non-CREST Loan Noteholder's application is subsequently otherwise deemed to be invalid, Computershare shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying non-CREST Shareholder's or Qualifying non-CREST Loan Noteholder's Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Computershare, Peel Hunt or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders or Qualifying non-CREST Loan Noteholders.

(e) *Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through Computershare reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder in question; or
- (ii) 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 Offer Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder in question, save that any sums of less than £1 will be retained for the benefit of the Company. All monies received by Computershare in respect of Open Offer Shares will be held in a separate non interest bearing account.

(f) *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)):

- (i) agree and acknowledge that the Company and others will rely upon its representations, warranties, covenants, agreements and acknowledgements set forth therein, and you agree to notify the Company and Peel Hunt promptly in writing if any of your representations, warranties, covenants, agreements or acknowledgements ceases to be accurate and complete;
- (ii) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iii) confirm that in making the application you are not relying on any information or representation other than that contained in this circular, and you accordingly agree that no person responsible solely or jointly for this circular or any part thereof shall have any liability for any such information or representation not so contained and that having had the opportunity to read this circular you will be deemed to have notice of all the information concerning the Group contained within this circular;
- (iv) represent and warrant to the Company and Peel Hunt that you are the Qualifying Shareholder or Qualifying Loan Noteholder originally entitled to the Open Offer Entitlement;
- (v) represent and warrant to the Company and Peel Hunt that he is not a Placee;
- (vi) represent and warrant that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) represent and warrant that you are not a citizen or resident of a Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to the re-offer, re-sale or delivery of Open Offer Shares directly or indirectly in, into or within a Restricted Jurisdiction or to a resident of a Restricted Jurisdiction or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;
- (viii) represent and warrant that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis;
- (ix) represent and warrant to the Company and Peel Hunt 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 the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and

- (x) confirm that in making the application you are not relying and has not relied on the Company or Peel Hunt or any person affiliated with the Company or Peel Hunt in connection with any investigation of the accuracy of any information contained in this document or your investment decision; and
- (xi) will also be asked whether or not you can represent and warrant as follows: (i) you have not received the Application Form or any other document relating to the Open Offer in an Restricted Jurisdiction, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into a Restricted Jurisdiction; (ii) you are not and were not located in a Restricted Jurisdiction at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside a Restricted Jurisdiction at the time he or she instructed you to submit the Application Form.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.

You should note that applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying non-CREST Shareholders and/or Qualifying non-CREST Loan Noteholders under the Open Offer should be addressed to Computershare Investor Services Plc, Corporate Actions Projects, Bristol, BS99 6AH or by telephone on 0370 707 4040 from within the UK or on +44 (0)370 707 4040 if calling from outside the UK. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls may be recorded and randomly monitored for security and training purposes. Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement.

(g) *The Excess Application Facility*

The Excess Application Facility enables Qualifying Shareholders and Qualifying Loan Noteholders who have taken up their Open Offer Entitlement in full to apply for additional Open Offer Shares.

Qualifying non-CREST Shareholders or Qualifying non-CREST Loan Noteholder who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

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, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders and/or Qualifying Loan Noteholders will be met in full or in part or at all.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed the 38,471,534 Open Offer Shares being made available to Qualifying Shareholders or Qualifying Loan Noteholders as a result of applications made in respect of the Excess Application Facility, resulting in a scaling back of applications, each Qualifying non-CREST Shareholder and/or Qualifying non-CREST Loan Noteholders who has made a valid application for Open Offer Shares under the Excess Application Facility and from whom payment in full for such Open Offer Shares

has been received in cleared funds will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for under the Excess Application Facility but not allocated to the relevant Qualifying non-CREST Shareholder or Qualifying non-CREST Loan Noteholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

(ii) ***If you have Open Offer Entitlements and Excess Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in section 7 of this Part IV in relation to certain Overseas Shareholders and Overseas Loan Noteholders, each Qualifying CREST Shareholder and Qualifying CREST Loan Noteholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer. Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility. Further details of Excess Offer Entitlements can be found in paragraph 4(ii)(j) of this Part IV.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the existing Ordinary Shares (or, in the case of Qualifying Loan Noteholders, Existing Loan Notes) held on the Record Date by the Qualifying CREST Shareholder or the Qualifying CREST Loan Noteholder in respect of which the Open Offer Entitlements and Excess Open Offer Entitlements have been allocated. Any Places that receive a credit to their appropriate stock accounts in CREST are not entitled to apply for the Open Offer Entitlements.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders or Qualifying CREST Loan Noteholder cannot be credited by, 5.00 p.m. or such later time as the Company may decide on 23 May 2016, an Application Form will be sent out to each Qualifying CREST Shareholder and Qualifying CREST Loan Noteholder in substitution for the Open Offer Entitlements and Excess Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this circular will be adjusted as appropriate and the provisions of this circular applicable to Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholder with Application Forms will apply to Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders who receive Application Forms.

Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders who wish to apply for some or all of their entitlements to Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to the procedure for acceptance, please telephone Computershare on 0370 707 4040 from within the UK or on +44 (0)370 707 4040 if calling from outside the UK. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls may be recorded and randomly monitored for security and training purposes. Computershare cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If you are a CREST sponsored member you should consult your CREST Sponsor if you wish to apply for Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) as only your CREST Sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

The Open Offer Entitlements and Excess Open Offer Entitlements will have separate ISIN/SEDOL numbers and will constitute separate securities for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess Open Offer Entitlements

may only be made by the Qualifying Shareholder or Qualifying CREST Loan Noteholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *USE Instructions*

Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and Excess 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:

- (i) the crediting of a stock account of Computershare under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess Open Offer Entitlements corresponding to the number of Open Offer Shares or Excess Shares applied for; and
- (ii) 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 or Excess Shares referred to in (i) above.

(d) *Content of USE Instructions in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear UK & Ireland’s 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 application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Computershare);
- (ii) the ISIN of the Open Offer Entitlement. This is GG00BYQPWT92;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare, in its capacity as a CREST receiving agent. This is 3RA42;
- (vi) the member account ID of Computershare, in its capacity as CREST receiving agent. This is SHANTA;
- (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 (i) above;
- (viii) the intended settlement date. This must be on or before 6 June 2016; and
- (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 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 6 June 2016.

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:

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

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 6 June 2016 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 7 June 2016 (or such later time and date as the Company and Peel Hunt determine being no later than 8.00 a.m. on 17 June 2016), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by a Qualifying CREST Shareholder or Qualifying CREST Loan Noteholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE Instructions in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear UK & Ireland's 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 application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to Computershare);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GG00BYQPWW15;
- (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 are to be debited;
- (v) the Participant ID of Computershare in its capacity as a CREST receiving agent. This is 3RA42;
- (vi) the member account ID of Computershare in its capacity as CREST receiving agent. This is SHANTA;
- (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 (i) above;
- (viii) the intended settlement date. This must be before 11.00 a.m. on 6 June 2016; and
- (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 an application in respect of an Excess CREST Open Offer Entitlement 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 6 June 2016.

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

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

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 in order to be valid is 11.00 a.m. on 6 June 2016. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 7 June 2016 or such later time and date as the Company shall agree (being no later than 8.00 a.m. on 17 June 2016), 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 the amount paid by a Qualifying CREST Shareholder or Qualifying CREST Loan Noteholder by way of a CREST payment, without interest, within 14 days thereafter. The Open Offer cannot be revoked once all conditions have been satisfied.

(f) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's and/or Qualifying non-CREST Loan Noteholder'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 (either into the account of the Qualifying Shareholder or Qualifying Loan Noteholder 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 Open Offer Entitlements 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 so 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 Excess Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 6 June 2016. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by Computershare.

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 CCSS, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 1 June 2016, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST is 4.30 p.m. on 31 May 2016, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess 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 and Excess Open Offer Entitlements prior to 11.00 a.m. on 6 June 2016.

Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder or Qualifying Loan Noteholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes on page 2 of the Application Form, and a declaration to the Company from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any of the Restricted Jurisdictions 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.

(g) *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 6 June 2016 will constitute a valid application under the Open Offer.

(h) *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 6 June 2016. 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.

(i) *Incorrect or Incomplete Applications*

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

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) 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 and/or Excess 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;
- (iii) 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).

(j) *The Excess Application Facility*

Provided that a Qualifying CREST Shareholder and/or Qualifying CREST Loan Noteholders chooses to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders and/or Qualifying CREST Loan Noteholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Any such applications will be granted at the absolute discretion of the Company.

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 may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders and/or Qualifying Loan Noteholders will be met in full or in part or at all.

Applications for Excess Open Offer Entitlements will be satisfied only if, and to the extent that, corresponding applications by other Qualifying Shareholders and/or Qualifying Loan Noteholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders and/or Qualifying Loan Noteholders under their respective Open Offer Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Qualifying Shareholders and/or Qualifying Loan Noteholders under the Excess Application Facility will be met in full, in part or at all.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in section 7 of this Part IV in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders and/or Qualifying CREST Loan Noteholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess CREST Open Offer Entitlement does not in any way give Qualifying CREST Shareholders and/or Qualifying CREST Loan Noteholders a right to the Open Offer Shares attributable to the Excess CREST Open Offer Entitlement as an Excess CREST Open Offer Entitlement is subject to scaling back in accordance with the terms of this circular.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders should follow the instructions above and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder or Qualifying CREST Loan Noteholders cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST, and allocated to the relevant Qualifying Shareholder or Qualifying Loan Noteholder, will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders and/or Qualifying CREST Loan Noteholders under the Open Offer exceed the

number of Open Offer Shares being made available, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder and/or Qualifying CREST Loan Noteholders who has made a valid application for Excess Shares under the Excess Application Facility, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder and/or Qualifying CREST Loan Noteholders multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest, and at the Applicant's sole risk.

Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

(k) *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:

- (i) agree and acknowledge that the Company and others will rely upon its representations, warranties, covenants, agreements and acknowledgements set forth therein, and agree to notify the Company and Peel Hunt promptly in writing if any of his representations, warranties, covenants, agreements or acknowledgements ceases to be accurate and complete;
- (ii) represent and warrant to the Company and Peel Hunt 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;
- (iii) 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's 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);
- (iv) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this circular and subject to the Memorandum and Articles of Incorporation of the Company;
- (v) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (vi) represent and warrant that he 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 Restricted Jurisdiction 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 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 Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a nondiscretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (vii) confirm to the Company and Peel Hunt that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly 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 information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had

notice of all the information in relation to the Company contained in this document (including information incorporated by reference);

- (viii) represent and warrant 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 sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
 - (ix) represent and warrant that he is the Qualifying Shareholder and/or Qualifying Loan Noteholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim;
 - (x) represent and warrant to the Company and Peel Hunt that he is not a Placee; and
 - (xi) confirm that in making the application he is not relying and has not relied on Peel Hunt or any person affiliated with the Company or Peel Hunt in connection with any investigation of the accuracy of any information contained in this document or his investment decision.
- (l) *Company's discretion as to Rejection and Validity of Applications*
- The Company may in its sole discretion:
- (i) 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;
 - (ii) 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;
 - (iii) 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 CRESTCo 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
 - (iv) 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 Registrar in connection with CREST.
- (m) *Issue of Open Offer Shares in CREST*
- Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after the close of business on 6 June 2016. 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. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' Open Offer Entitlements with effect from the next Business Day. 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.

(n) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 7 June 2016 or such later time and date as the Company and Peel Hunt may agree (being no later than 8.00 a.m. on 17 June 2016), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by a Qualifying CREST Shareholder or Qualifying CREST Loan Noteholder by way of a CREST payment, without interest, as soon as practicable thereafter.

5. Money Laundering Regulations

(i) **Holders of Application Forms**

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations 2007 (as amended) (the "Regulations"), the Registrar may require verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity").

The verification of identity requirements pursuant to the Regulations will apply to applications with a value of €15,000 (or its Pound Sterling equivalent) or greater, or to one of a series of linked applications whose aggregate value exceeds that amount, and in the case of such applications verification of the identity of Applicant(s) for Open Offer Shares may be required.

If within a reasonable period of time following a request, for verification of identity, but in any event by 11.00 a.m. on 6 June 2016, the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the Applicant's risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the Applicant named on the accompanying Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares or, in the case of the Qualifying Loan Noteholders, Existing Loan Notes) through the market prior to 3.00 p.m. on 6 June 2016), by the person(s) named in Box 1 on the Application Form. If this is not practicable and the Applicant uses a cheque drawn on a building society or a banker's draft, the Applicant should:

- (i) ask the building society or bank to endorse on the cheque or draft the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or banker's draft;
- (ii) if the Applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you have any questions relating to the procedure for acceptance, please telephone Computershare on 0370 707 4040 from within the UK or on +44 (0)370 707 4040 if calling from outside the UK. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls may be recorded and randomly monitored for security and training purposes. Computershare cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice;
- (iii) if the Applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driving licence; and
- (iv) third party cheques may not be accepted unless covered by (i) above.

In any event, if it appears to the Receiving Agent 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 will be required.

Neither the Receiving Agent nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification. By lodging an Application Form, each Qualifying Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company, at such specified time thereafter as may be required to ensure compliance with the Regulations.

(ii) **Open Offer Entitlements and Excess Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlements or Excess Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements (and Excess Open Offer Entitlements) as agent for one or more persons and you are not a United Kingdom or European Union regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent 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 the Receiving Agent 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 the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent 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 any failure to provide satisfactory evidence.

6. Taxation

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

7. Overseas Shareholders

(a) **General**

The distribution of this circular and the Application Form and the making or acceptance of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. The comments set out in this section 7 are intended as a general guide only and any Overseas Shareholders or Overseas Loan Noteholders who are in any doubt as to their position should consult their professional advisers without delay.

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this circular (or any other offering or publicity materials or Application Form(s)) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Application Forms will not be sent to and Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to a stock account in CREST of persons with registered addresses in a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that 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 circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in any

territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements and/or credit of Excess Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements and/or credit of Excess Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company, nor any of its respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements.

Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this circular and/or an Application Form and/or transfers Open Offer Entitlements and/or Excess Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part IV and specifically the contents of this section 7.

The Company reserves the right, but shall not be obliged, to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of an Open Offer Entitlement and/or an Excess Open Offer Entitlement to a stock account in CREST, to a member whose registered address would be in a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders and Overseas Loan Noteholders is drawn to sections 7(b) to 7(e) below.

Notwithstanding any other provision of this circular or the Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders and Overseas Loan Noteholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered,

sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this circular or the Application Forms into any Restricted Jurisdiction. Receipt of this circular and/or an Application Form and/ or a credit of an Open Offer Entitlement and/or a credit of Excess Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

(b) ***United States***

None of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act or the laws of any state or other jurisdiction of the United States and, therefore, the New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be, directly or indirectly, offered, sold, taken up, delivered, renounced or transferred in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States and, subject to certain exceptions, none of this circular, the Application Forms or the crediting of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST constitutes or will constitute an offer or an invitation to apply for an offer or an invitation to subscribe for any New Ordinary Shares in the United States. Neither this circular nor an Application Form will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to, and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to, a stock account in CREST of any Qualifying Shareholder or Qualifying Loan Noteholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from, or post-marked in, the United States will be deemed to be invalid and all persons subscribing for New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares outside the United States.

(c) ***Restricted Jurisdictions***

Due to restrictions under the securities laws the Restricted Jurisdictions and subject to certain exemptions, Qualifying Shareholders and Qualifying Loan Noteholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form, nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, re-sold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this circular or the Application Forms into any Restricted Jurisdiction.

(d) ***Other overseas jurisdictions***

Application Forms will be sent to Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders and an Open Offer Entitlement will be credited to the stock account in CREST of Qualifying CREST Shareholders or Qualifying CREST Loan Noteholders in other overseas jurisdictions. Qualifying Shareholders and Qualifying Loan Noteholders in jurisdictions other than any Restricted Jurisdiction may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this circular and, if relevant, the Application Form.

Qualifying Shareholders and Qualifying Loan Noteholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

(e) **Representations and warranties relating to Overseas Shareholders and Overseas Loan Noteholders**

(i) *Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and/or the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (i) such person is not requesting registration of the relevant Open Offer Shares from within a Restricted Jurisdiction;
- (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it;
- (iii) such person is not acting on a nondiscretionary basis on behalf of, a person located within a Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and
- (iv) such person is not subscribing for Open Offer Shares with a view to the offer, sale, re-sale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction or any territory referred to in (ii) above.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it:

- (i) appears to the Company or its agents to have been executed, effected or despatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements;
- (ii) provides an address in any Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or
- (iii) purports to exclude the warranty required by this paragraph 7(e)(i).

(ii) *Qualifying CREST Shareholders and Qualifying CREST Loan Noteholders*

A CREST member who makes a valid application either on its own behalf or on behalf of one of its clients in accordance with the procedures set out in this Part IV represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction:

- (i) neither it nor its client is within a Restricted Jurisdiction;
- (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares;
- (iii) it is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within a Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and
- (iv) neither it nor its client is subscribing for any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction, or any territory referred to in (ii) above.

The Company reserves the right to reject any USE instruction from a Restricted Jurisdiction or any territory referred to in (ii) above or by a CREST participant who is acting on a non-discretionary basis on behalf of a person located within a Restricted Jurisdiction or any territory referred to in (ii) above.

8. Admission, Settlement and Dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects, it is expected that Admission of the New Ordinary Shares will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 7 June 2016.

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 6 June 2016 (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 7 June 2016). On this day, Computershare will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 7 June 2016). 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.

Notwithstanding any other provision of this circular, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

For Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by 13 June 2016. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. All documents or remittances sent by or to Applicants or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying non-CREST Shareholders and Qualifying non-CREST Loan Noteholders are referred to the Application Form.

9. Times and Dates

The Company shall, in agreement with Peel Hunt 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 shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Shareholders and Qualifying Loan Noteholders may not receive any further written communication.

If a supplementary circular 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 circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

10. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this circular shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer. By

taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this circular, Qualifying Shareholders and Qualifying Loan Noteholders irrevocably submit to the jurisdiction of the courts of England 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 forum.

11. Further information

Your attention is drawn to the terms and conditions set out in the enclosed Application Form.

