

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”). The whole of the text of this document should be read.**

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares in Beowulf Mining Plc 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 document, together with the accompanying Application Form and Form of Proxy, 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 you should retain this document and the accompanying Application Form and Form of Proxy and should immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected. This document and any accompanying documents should not be sent or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, any Restricted Jurisdiction. 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 6 of Part III of this document for further information.

The total consideration under the Open Offer is less than €5 million (or an equivalent amount) in aggregate. Therefore, in accordance with Section 85 and Schedule 11A of FSMA, this document 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 document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom pursuant to sections 85 or 87 of FSMA, or by the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

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# BEOWULF MINING PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 02330496)*



BEOWULF MINING plc

Subscription of 15,409,333 New Ordinary Shares

Open Offer of up to 13,333,333 New Ordinary Shares at a price of 3 pence per share

Notice of General Meeting

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*Financial Adviser, Nominated Adviser & Corporate Broker*

**Cantor Fitzgerald Europe**

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**This document should be read as a whole. Your attention is drawn in particular to the letter from the Chairman of Beowulf Mining Plc which is set out in Part I of this document and, in particular, to paragraph 13 which contains the unanimous recommendation of the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. In addition, your attention is drawn to Part II of this document entitled “Risk Factors” which details certain risks which should be considered by Shareholders when considering whether or not to make an investment in the Company.**

**The latest time and date for application and payment in full under the Open Offer is 11a.m. on 18 September 2014. The procedure for application and payment is set out in Part III of this document and, where relevant, in the Application Form.**

Notice of a general meeting of Beowulf Mining Plc (“General Meeting”) to be held at 11a.m. on 22 September 2014 at 120 Moorgate, Moorgate, London EC2M 6UR is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon to the Company’s UK Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible but in any event so as to arrive not later than 11a.m. on 20 September 2014 together with any power of attorney or other authority (or a notarially certified copy thereof) under which

it is signed. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting should he so wish.

Cantor Fitzgerald Europe (“Cantor Fitzgerald”), 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 Capital Raising and will not regard any other person (whether or not a recipient of this document) 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 Capital Raising 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 document. Cantor Fitzgerald has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cantor Fitzgerald, nor does it make any representation or warranty, express or implied, as to the accuracy of, any information or opinion contained in this document or for the omission of any information. Cantor Fitzgerald expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

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 appropriately authorised independent financial adviser. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject to Shareholders approving the Resolutions at the General Meeting it is expected that Admission will occur and that dealings in the New Ordinary Shares to be issued pursuant to the Subscription and the Open Offer will commence at 8.00 a.m. on 26 September 2014.

No person has been authorised to give any information or make any representation relating to the Capital Raising 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 Cantor Fitzgerald. In particular, the content of the Company’s website does not form part of this document and Shareholders and prospective shareholders should not rely on it.

Qualifying Non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (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 2 September 2014. An application under the Open Offer may only be made by the Qualifying Shareholder 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 3p.m. on 2 September 2014 or such later time and date as the Company may decide, 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 document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by a Qualifying Shareholder provided that his Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

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.

The latest time and date for acceptance and payment in full under the Open Offer is 11 a.m. on 18 September 2014. The procedure for application and payment is set out in Part III of this document and, where relevant, in the Application Form.

Whether or not you intend to be present at the General Meeting, please complete the Form of Proxy enclosed with this document in accordance with the instructions printed on the Form of Proxy and return it to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA by no later than 11 a.m. on 20 September 2014 in order to be valid. Completion and return of a Form of Proxy will not preclude you from attending and voting at the General Meeting should you so wish.

Copies of this document are available free of charge from Cantor Fitzgerald Europe, One Churchill Place, London E14 5RB.

#### **Notice to Overseas Shareholders**

None of this document 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 document 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 document 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.

This document 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. This document and the Application Form are not being sent to Shareholders with registered addresses in the Restricted Jurisdictions.

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, Canada, 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 Capital Raising or the adequacy or accuracy of this document. 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 other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" in section 6 of Part III of this document. This document 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 document, see section 6 of Part III of this document.

#### **Forward-looking statements**

This document contains statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "could", "envisages", "estimates", "expects", "intends", "may", "plans", "projects", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs and current expectations of the Company or the Directors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Company and the industry in which the Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Group operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

Prospective investors are strongly recommended to read the risk factors set out in Part II of this document for a more complete exposition of the risks that could affect the Company's future performance and the industry in which the Group operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

The forward-looking statements contained in this document speak only as at the date of this document. The Company undertakes no obligation to update or revise publicly the forward-looking statements contained in this document to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this document, except as required in order to comply with its legal and regulatory obligations (including under the AIM Rules for Companies).

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement under the Open Offer	5 pm on 20 August 2014
Announcement of the Open Offer	7:00 a.m. on 21 August 2014
Publication date of this document, the Form of Proxy and, to the Qualifying Non-CREST Shareholders only, the Application Forms	1 September 2014
Ex entitlement date for the Open Offer	8:00 a.m. on 22 August 2014
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	As soon as possible after 8:00 a.m. on 2 September 2014
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4:30 p.m. on 9 September 2014
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3:00 p.m. on 15 September 2014
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00 p.m. on 16 September 2014
<b>Latest time and date for receipt of completed Application Form, and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)</b>	<b>11:00 a.m. on 18 September 2014</b>
Expected time and date of announcement of results of the Open Offer	7.00a.m. on 19 September 2014
Latest time for receipt of the Form of Proxy	11 a.m. on 20 September 2014
General Meeting	11 a.m. on 22 September 2014
Admission effective and trading expected to commence in the New Ordinary Shares	8:00 a.m. on 26 September 2014
CREST members' accounts credited in respect of the Open Offer Shares in uncertificated form	As soon as possible after 8:00 a.m. on 26 September 2014
Share certificates in respect of the Open Offer Shares expected to be despatched by no later than	30 September 2014

### Notes

1. If you have any queries on the procedures for application under the Open Offer, you should contact the Receiving Agents, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA or telephone Neville Registrars Limited on 0121 585 1131 from within the UK or on + 44 (0) 121 585 1131 if calling from outside the UK. Calls to this number are charged at your service provider's standard rate. Calls from overseas or via mobile phones will cost considerably more. Lines are open 9:00 a.m. to 5:00 p.m. (London time) Monday to Friday. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.
2. If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service. Certain of the events in the timetable above are conditional upon, *inter alia*, the approval of the Resolutions.
3. All times are London times and each of the times and dates are subject to change.

## CAPITAL RAISING STATISTICS

Number of Ordinary Shares in issue on the Record Date	282,827,365
Number of Initial Subscription Shares, Value Shares and Placing Shares admitted to trading on AIM on 22 August 2014	42,424,000
Number of Second Subscription Shares to be issued	15,409,333
Number of Open Offer Shares to be issued*	13,333,333
Total number of Ordinary Shares issued and to be issued under the Capital Raising *	71,166,666
Number of Ordinary Shares in issue following the Capital Raising*	353,994,031
Percentage of Enlarged Share Capital represented by the New Ordinary Shares to be issued pursuant to the Second Subscription and the Open Offer*	8.84 per cent.
Percentage of Enlarged Share Capital represented by the Ordinary Shares issued and to be issued pursuant to the Capital Raising *	20.1 per cent.
Basis of the Open Offer	1 New Ordinary Share for every 21 Ordinary Shares held on the Record Date
Issue Price	3 pence
Gross proceeds of the Placing	£0.6 million
Gross proceeds of the Subscription Shares	£1.0 million
Gross proceeds of the Open Offer*	£0.4 million
Gross proceeds of the Capital Raising*	£2 million
Market capitalisation of the Company at the Issue Price following Admission*	£10.62 million
ISIN of the Existing Ordinary Shares	GB0033163287
ISIN of the Open Offer Entitlements	GB00BQ70QJ59
ISIN of the Excess Open Offer Entitlements	GB00BQ70QL71
Tradeable Instrument Display Mnemonic	BEM

*\*On the assumption that the Open Offer is taken up in full by Shareholders*

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors:</b>	Clive Sinclair-Poulton ( <i>Executive Chairman</i> ) Fred Boman ( <i>Production Director</i> ) Jan-Ola Larsson ( <i>Technical Director</i> ) Anthony Scutt ( <i>Non-Executive Director</i> ) Edward Taylor ( <i>Non-Executive Director</i> )
<b>Registered Office:</b>	Richmond House Broad Street Ely, CB7 4AH
<b>Company Secretary:</b>	Edward Taylor
<b>Financial Adviser, Nominated Adviser and Corporate Broker:</b>	Cantor Fitzgerald Europe One Churchill Place London E14 5RB
<b>Lawyers to the Company:</b>	Spearing Waite LLP 41 Friar Lane Leicester LE1 5RB
<b>Lawyers to Cantor Fitzgerald Europe:</b>	Locke Lord (UK) LLP 201 Bishopsgate London EC2M 3AB
<b>Receiving Agent:</b>	Neville Registrars Limited Neville House, 18 Laurel Lane Halesowen West Midlands B63 3DA
<b>Registrars:</b>	Neville Registrars Limited Neville House, 18 Laurel Lane Halesowen West Midlands B63 3DA
<b>Financial Public Relations:</b>	Blythe Weigh Communications Limited 4-5 Castle Court London EC3V 9DL
<b>Company Website:</b>	<a href="http://www.beowulfmining.net">http://www.beowulfmining.net</a>

## DEFINITIONS

<b>“Act”</b>	the Companies Act 2006, as amended;
<b>“Admission”</b>	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
<b>“AIM”</b>	the AIM Market of London Stock Exchange Plc;
<b>“AIM Rules for Companies”</b>	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
<b>“AIM Rules for Nominated Advisers”</b>	the rules for nominated advisers to AIM companies, as published and amended from time to time by the London Stock Exchange;
<b>“Applicant”</b>	a Qualifying Non-CREST Shareholder who applies for Open Offer Shares under the Open Offer;
<b>“Application Form”</b>	an application form enclosed with this document for use by Qualifying Non-CREST Shareholders in connection with the Open Offer;
<b>“Articles”</b>	the existing articles of association of the Company as at the date of this document;
<b>“Benchmark Price”</b>	the benchmark price of 4 pence per Ordinary Share;
<b>“Business Day”</b>	any day on which banks in the City of London are normally open for ordinary business;
<b>“Cantor Fitzgerald Europe” or “CFE”</b>	Cantor Fitzgerald Europe, authorised and regulated by the Financial Conduct Authority, engaged to act as Financial Adviser, Nominated Adviser and Corporate Broker to the Company;
<b>“Capital Raising”</b>	the Placing, the Initial Subscription, the Second Subscription and the Open Offer, taken together;
<b>“Company” or “Beowulf Mining”</b>	Beowulf Mining plc, a company registered in England and Wales under the Companies Act 1985 with registered number 02330496;
<b>“CREST”</b>	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;
<b>“CREST member”</b>	a person who has been admitted by Euroclear UK & Ireland as a system-member (as defined in the CREST Regulations);
<b>“CREST member account ID”</b>	the identification code or number attached to a member account in CREST;



<b>“CREST participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual issued by Euroclear UK & Ireland;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
<b>“CREST Sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member (which includes all CREST personal members);
<b>“Directors” or “Board”</b>	the directors of the Company at the date of this document whose names are set out in the Directors, Secretary and Advisers section of this document;
<b>“Enlarged Share Capital”</b>	the issued ordinary share capital of the Company immediately following Admission comprising the Existing Ordinary Shares, the Second Subscription Shares and the Open Offer Shares;
<b>“Euroclear UK &amp; Ireland”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Shareholders may apply for any number of Open Offer Shares in excess of their Open Offer Entitlement, provided that they have agreed to take up their Open Offer Entitlement in full;
<b>“Excess CREST Open Offer Entitlements”</b>	in respect of each Qualifying CREST Shareholder, 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 and which may be subject to scaling back in accordance with the provisions of this document;
<b>“Excess Open Offer Entitlement”</b>	an entitlement for each Qualifying Shareholder 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 and which may be subject to scaling back in accordance with the provisions of this document;
<b>“Excess Shares”</b>	New Ordinary Shares in addition to their Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility;
<b>“Ex-Entitlement Date”</b>	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer;
<b>“Existing Equity Share Agreements”</b>	each of the ISDA master agreements (and related documents)

	entered into by the Company and Lanstead on 9 July 2013;
<b>“Existing Ordinary Shares”</b>	the Ordinary Shares in issue at the date of this document (including the Placing Shares, the Initial Subscription Shares and the Value Shares);
<b>“Form of Proxy”</b>	the form of proxy accompanying this document;
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended;
<b>“General Meeting”</b>	the general meeting of Shareholders to be held at 120 Moorgate, Moorgate, London EC2M 6UR at 11a.m. on 22 September 2014
<b>“ISDA”</b>	the International Swaps and Derivatives Association Inc;
<b>“ISIN”</b>	International Securities Identification Number
<b>“Issue Price”</b>	3 pence per New Ordinary Share;
<b>“Initial Subscription”</b>	the subscription for the Initial Subscription Shares by Lanstead pursuant to the Subscription Agreement, which were issued to Lanstead on 22 August 2014;
<b>“Initial Subscription Shares”</b>	the 7,924,000 Ordinary Shares subscribed by Lanstead pursuant to the Initial Subscription;
<b>“Lanstead”</b>	Lanstead Capital L.P.;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Member Account ID”</b>	the identification code or number attached to any member account in CREST;
<b>“Money Laundering Regulations”</b>	the Money Laundering Regulations 2007, as amended;
<b>“New Equity Swap Agreements”</b>	each of the ISDA master agreements (and related documents) entered into by the Company and Lanstead on 20 August 2014, further details of which are set out in Part I of this document;
<b>“New Ordinary Shares”</b>	up to 28,742,666 new Ordinary Shares to be issued pursuant to the Second Subscription and the Open Offer;
<b>“Official List”</b>	the Official List of the United Kingdom Listing Authority;
<b>“Open Offer”</b>	the offer to Qualifying Shareholders, conditional on the passing of the Resolutions, constituting an invitation to apply for the Open Offer Shares on the terms and subject to the conditions set out in this document and, in the case of

	Qualifying Non-CREST Shareholders, in the Application Form;
<b>“Open Offer Entitlement”</b>	the <i>pro rata</i> basic entitlement under the Open Offer for Qualifying Shareholders to apply for 1 Open Offer Share for every 21 Ordinary Shares held by them on the Record Date;
<b>“Open Offer Shares”</b>	up to 13,333,333 New Ordinary Shares proposed to be issued pursuant to the Open Offer or, as the context may require, such New Ordinary Shares as are allotted and issued to Qualifying Shareholders in accordance with the terms of the Open Offer;
<b>“Ordinary Shares”</b>	ordinary shares of 1p each in the capital of the Company;
<b>“Overseas Shareholders”</b>	Shareholders who are resident in or a citizen or national of any country outside the United Kingdom;
<b>“Placees”</b>	the subscribers for the Placing Shares pursuant to the Placing;
<b>“Placing”</b>	the placing of the Placing Shares at the Issue Price by Cantor Fitzgerald Europe which completed on 22 August 2014, as described in Part 1 of this document;
<b>“Placing Agreement”</b>	the placing agreement dated 20 August 2014 between the Company and Cantor Fitzgerald Europe relating to the Placing and the Open Offer;
<b>“Placing Shares”</b>	the 20,000,000 Ordinary Shares issued pursuant to the Placing;
<b>“Prospectus Rules”</b>	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;
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in uncertificated form on the Record Date;
<b>“Qualifying Non-CREST Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in certificated form at the close of business on the Record Date;
<b>“Qualifying Shareholders”</b>	Shareholders whose Ordinary Shares are on the register of members of the Company on the Record Date with the exclusion (subject to exemptions) of persons with a registered address or located or resident in the Restricted Jurisdictions;
<b>“Receiving Agent”</b>	Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA;
<b>“Record Date”</b>	5 p.m. on 20 August 2014;

<b>“Registrars”</b>	Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA;
<b>“Resolutions”</b>	Resolutions 1 and 3 to be proposed at the General Meeting, the full text of which is set out in the notice of General Meeting at the end of this document;
<b>“Restricted Jurisdiction”</b>	each and any of Australia, Canada, France, Japan, the Republic of Ireland, United States 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;
<b>“SEC”</b>	the US Securities Exchange Commission;
<b>“Second Subscription”</b>	the conditional subscription for the Second Subscription Shares by Lanstead pursuant to the Subscription Agreement;
<b>“Second Subscription Shares”</b>	the 15,409,333 New Ordinary Shares to be subscribed by Lanstead pursuant to the Subscription Agreement and to be allotted and issued to Lanstead conditional on the Resolutions being passed by Shareholders at the General Meeting;
<b>“Shareholders”</b>	holders of Ordinary Shares;
<b>“Subscription”</b>	the subscription for the Subscription Shares at the Issue Price, as described in Part 1 of this document;
<b>“Subscription Shares”</b>	collectively, the Initial Subscription Shares issued and the Second Subscription Shares to be issued pursuant to the Subscription Agreement;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>“USD”</b>	the lawful currency of the US;
<b>“US Securities Act”</b>	the US Securities Act of 1933 (as amended);
<b>“Value Shares”</b>	the 4,500,000 Ordinary Shares issued to Lanstead on 22 August 2014 in consideration for entering into the New Equity Swap Agreements; and
<b>“£” or “GBP”</b>	the lawful currency of the United Kingdom.

# PART I

## LETTER FROM THE EXECUTIVE CHAIRMAN OF BEOWULF MINING PLC

*(Incorporated and Registered in England and Wales under the Companies Act 1985 with registered number 02330496)*



*Directors:*

Clive Sinclair-Poulton (*Executive Chairman*)

Fred Boman (*Production Director*)

Jan-Ola Larsson (*Technical Director*)

Anthony Scutt (*Non-Executive Director*)

Edward Taylor (*Non-Executive Director & Company Secretary*)

*Registered Office:*

Richmond House

Broad Street

Ely

Cambridgeshire

CB7 4AH

1 September 2014

Dear Shareholder,

### **Capital Raise of up to £2 million, Open Offer, Notice of General Meeting and Board Changes**

#### **1. Introduction**

On 22 August 2014, the Company announced that it had placed the Placing Shares to raise approximately £0.6 million (before expenses) with institutional and other investors at the Issue Price pursuant to the Placing.

The Company also announced that it had raised £1 million (before expenses) from Lanstead pursuant to the issue of the Initial Subscription Shares at the Issue Price and a conditional subscription for the Second Subscription Shares also at the Issue Price subject to Shareholders approving the Resolutions at the General Meeting.

The Board recognises and is grateful for the continued support it has received from Shareholders and has therefore decided to offer all Shareholders the opportunity to participate in a further issue of new equity in the Company by launching the Open Offer to issue up to 13,333,333 further New Ordinary Shares to Qualifying Shareholders at the Issue Price. Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 21 Ordinary Shares held on the Record Date. Shareholders

subscribing for their full entitlement under the Open Offer may also request Excess Shares through the Excess Application Facility.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of up to £0.4 million for the Company and the gross proceeds of the Capital Raising would increase to £2 million.

The Issue Price represents a 14 per cent. discount to the closing middle market price of 3.5 pence per Ordinary Share on 20 August 2014, being the last Business Day before the announcement of the Capital Raising.

The Placing Shares, the Initial Subscription Shares and the Value Shares were issued using the Directors' existing authority to allot shares for cash on a non-pre-emptive basis. Further to this allotment, the Company has utilised all of the Directors' existing authority to allot shares for cash on a non-pre-emptive basis. As the Second Subscription Shares and the Open Offer Shares will exceed the Directors' existing authorities to allot shares for cash on a non-pre-emptive basis, the General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, *inter alia*, to complete the Second Subscription and the Open Offer.

The New Ordinary Shares to be issued pursuant to the Second Subscription and the Open Offer are to be admitted to trading on AIM, which is expected to take place at 8.00 a.m. on 26 September 2014.

The net proceeds of the Capital Raising (after commission and expenses) will be used principally for the further development of the Company's Kallak iron ore project and for general working capital purposes. Further details on the background to and the reasons for the Capital Raising are given in below.

The purpose of this letter is to explain to Shareholders the background to, and reasons for, the Capital Raising, including the completed Placing and Initial Subscription and the proposed Second Subscription and Open Offer. The Second Subscription and the Open Offer are each conditional upon, *inter alia*, the passing by Shareholders of the Resolutions which will be proposed at the General Meeting to be held at 11a.m. on 22 September 2014, notice of which is set out at the end of this document. Should Shareholders not pass the Resolutions at the General Meeting, the Second Subscription and the Open Offer will not proceed.

Your Board considers that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and unanimously recommends that you vote in favour of these Resolutions, as they intend to do in respect of Ordinary Shares held by them. The notice convening the General Meeting is set out at the end of this document and a Form of Proxy is also enclosed for you to complete. This letter includes an explanation of the Resolutions.

## **2. Reasons for the Capital Raising & Trading Update**

### *Reasons for the Capital Raising*

As a pre-production company, Beowulf Mining, like many other natural resource exploration and development companies, does not generate cash flow. As such, it relies on external financing for the development of its projects in order to deliver its stated strategy.

### *Structure of the Capital Raising*

The Directors considered the best way to structure the Company's proposed capital raising, having regard to, *inter alia*, current market conditions and access to capital, the level of the Company's share price and the importance of pre-emption rights to Shareholders.

After considering these factors, the Directors concluded that the structure of the Capital Raising, comprising the Subscription by Lanstead to raise £1 million, the Placing to raise £0.6 million and the Open Offer to raise £0.4 million, was the most suitable option for the Company and its Shareholders as a whole.

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by acquiring Open Offer Shares pro rata to their current holdings of Ordinary Shares with the option for subscribing for Excess Shares pursuant to the Excess Application Facility. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company will, 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 under the Excess Application Facility will be met in full, in part or at all.

The Issue Price of 3 pence per New Ordinary Share represents a 14 per cent. discount to the closing middle market price of 3.5 pence per Ordinary Share on 20 August 2014, the last Business Day before the announcement of the Capital Raising.

### *Trading Update*

On 21 August 2014, the Company announced an operational update in respect of its Kallak iron ore projects and Ballek copper project, both in Sweden. On 29 August 2014, the Company announced its unaudited interim results for the period ended 30 June 2014. Shareholders are encouraged to read these announcements in their entirety together with the contents of this document.

### *Use of Proceeds from the Capital Raising*

The Capital Raising is expected to raise gross proceeds of approximately £2 million (before expenses). The net proceeds will be used to augment the Company's existing cash resources and assist with funding:

- further progress its Kallak iron ore project; and
- for general working capital purposes.

### *Board Changes*

On 21 August 2014, the Company announced the proposed changes to the composition of the Board of Directors. Mr. Anthony Scutt and Mr. Edward Taylor have indicated their intention to retire as Non-Executive Directors of the Company at the General Meeting. It is intended that Mr. Kurt Budge and Mr. Bevan Metcalf (the “New Directors”) will join the Board as Non-Executive Directors following the General Meeting. Both Mr. Budge and Mr. Metcalf have recently held senior managerial positions in AIM-listed iron ore companies. The Company is extremely grateful for the loyal service from Mr. Scutt and Mr. Taylor. As the Company evolves from an exploration company the composition of the Board will continue to be enhanced with Directors having the necessary experience to continue the development of the Company’s projects and to maximise shareholder value where possible. A further announcement in connection with the appointment of the New Directors, as required by the AIM Rules for Companies, will be made in due course.

### *Future Funding Requirements & Working Capital*

The gross proceeds of the Capital Raising, assuming that the Open Offer is subscribed in full, are anticipated to amount to approximately £2 million. The Board believe that the net proceeds of the Capital Raising will provide the necessary funding to enable the Company to continue with the development of its mineral asset portfolio. However, the net proceeds of the Capital Raising are insufficient to fully fund the entire development of the Company’s projects. Accordingly, the Directors will continue to ensure that the Company remains appropriately funded, having identified and evaluated financing options, to fulfil its stated strategy.

### **3. The Placing**

The Company has raised gross proceeds of £0.6 million pursuant to the Placing through the issue of 20,000,000 Placing Shares, which were placed at the Issue Price with institutions and other investors pursuant to the Placing Agreement. Admission became effective and dealings commenced in the Placing Shares on 22 August 2014.

All of the Placing Shares have been placed with institutions and other investors and are not, therefore, being offered to existing Shareholders pursuant to the Open Offer. Placees have agreed not to take part in the Open Offer.

Under the terms of the Placing Agreement Cantor Fitzgerald Europe was appointed as agent of the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price and to make the Open Offer. Pursuant to the Placing Agreement, the Company has given certain warranties to Cantor Fitzgerald Europe regarding, *inter alia*, the accuracy of information in this document and an indemnity in favour of Cantor Fitzgerald Europe in respect of, *inter alia*, losses arising directly or indirectly out of the Placing and the Open Offer.

The Placing Agreement is conditional, *inter alia*, on the Company complying with all of its obligations under the Placing Agreement. Under the Placing Agreement, the Company has agreed to pay a customary corporate finance fee and a commission to Cantor Fitzgerald Europe in line with market practice, together with all costs and expenses and VAT thereon, where appropriate. Cantor Fitzgerald Europe is entitled to deduct its corporate finance fee, commission and the costs and expenses from the proceeds of the Capital



Raising. Cantor Fitzgerald Europe is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission and to the payment of outstanding expenses on such termination.

#### **4. The Subscription**

The Company has announced that it has raised £1 million (before expenses) from Lanstead pursuant to the Initial Subscription and a conditional subscription for the Second Subscription Shares, also at the Issue Price.

In addition, the Company entered into the New Equity Swap Agreements with Lanstead which allow the Company to retain much of the economic interest in the Subscription Shares. The New Equity Swap Agreements enable the Company to secure much of the potential upside arising from a rising share price.

The New Equity Swap Agreements provide that the Company's economic interest will be determined and payable in 12 monthly settlement tranches as measured against the Benchmark Price. If the measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent. of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent. of the expected monthly settlement on a pro rata basis. Of the aggregate proceeds of £1 million from the issue of the Subscription Shares, the Company will use £0.15 million (15 per cent.) for working capital and £0.85 million (85 per cent.) for investment in the New Equity Swap Agreements as described above. In no event would a decline in the Company's share price result in any increase in the number of Ordinary Shares received by Lanstead or any other advantage accruing to Lanstead. The Company and Lanstead have mutually agreed to defer settlements under the Existing Equity Swap Agreements announced on 10 July 2013 until the completion of the New Equity Swap Agreements, details of which are set out in this document.

The Company agreed to make a value payment to Lanstead of the Value Shares in consideration for the New Equity Swap Agreements which were issued together with the Placing Shares and the Initial Subscription Shares on 22 August 2014.

The Company has provided certain warranties to Lanstead under the Subscription Agreements in respect of its investment in the Subscription Shares, relating to, *inter alia*, the incorporation and legal status of the Company, the nature of the Subscription Shares and the Company's ability to enter into the subscription agreements and, subject to Shareholder approval, allot and issue the Second Subscription Shares. Such warranties are in a form common for an agreement of this type.

The Issue Price of 3 pence per share represents a discount of approximately 14 percent. to the closing middle market price of 3.5 pence per Ordinary Share on 20 August 2014, being the last Business Day prior to the announcement of the Placing and the Capital Raising.

Admission of the Initial Subscription Shares and the Value Shares to trading on AIM became effective at 8.00 a.m. on 22 August 2014 and such Shareholders are eligible to vote on the Resolutions.

Application will be made to the London Stock Exchange for the Second Subscription Shares to be issued under the new authorities if approved by Shareholders, to be admitted to trading on AIM. It is currently expected that Admission will become effective and that dealings in the Second Subscription Shares will commence at 8.00 a.m. on 26 September 2014. The Second Subscription Shares will be fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares and the Open Offer Shares.

Lanstead is currently interested in 86,539,421 Ordinary Shares, representing approximately 26.61 per cent. of the Company's existing issued share capital. Following completion of the Second Subscription, Lanstead will be interested, in aggregate, in 101,948,754 Ordinary Shares, representing approximately 29.93 per cent. of the Company's Enlarged Share Capital (assuming no Open Offer Shares are subscribed for). In the light of Lanstead's shareholding following the Second Subscription, the Board believes that Lanstead will not participate in the Open Offer.

## **5. The Open Offer**

Subject to the fulfilment of the conditions set out below and in Part III of this document, Qualifying Shareholders are being given the opportunity to subscribe for up to 13,333,333 New Ordinary Shares at a price of 3 pence per Open Offer Share, pro rata to their holdings of Ordinary Shares on the Record Date on the basis of:

### **1 Open Offer Share for every 21 Ordinary Shares held on the Record Date**

Qualifying Shareholders 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 Open Offer Shares will be allotted and issued following and conditional on, inter alia, the passing of the Resolutions at the General Meeting.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise gross proceeds of approximately £0.4 million for the Company. The Open Offer Shares will, upon issue, rank *pari passu* in all respects with the Existing Ordinary Shares and the Second Subscription Shares.

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and used to satisfy applications under the Excess Application Facility.

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

It should be noted that the Open Offer is not a rights issue and 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 who do not take up their rights to subscribe under the Open Offer.

#### *Excess Application Facility*

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

Qualifying Non-CREST Shareholders who wish to apply for more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2 of Part III of this document 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 are not made or are

made for less than their Open Offer Entitlements. Once applications by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company will, in its absolute discretion, determine whether to meet any excess applications in full or in part. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

### *CREST*

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders 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 a.m. on 2 September. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim.

### *Applications*

Qualifying Non-CREST Shareholders will have received an Application Form with this document 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 should note that the Application Form is not a negotiable document and cannot be traded.

Qualifying CREST Shareholders 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 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 less than 13,333,333 Open Offer Shares will be issued and any outstanding Open Offer Entitlements will lapse.

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 III of this document.

For Qualifying Non-CREST Shareholders, completed Application Forms, accompanied by full payment, in the form of cheque made payable to 'Neville Registrars Limited re client account', should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, UK so as to arrive as soon as possible and in any event so as to be received no later than 11 a.m. on 18 September 2014. Third party cheques, building society cheques and banker's drafts will not be accepted. For Qualifying CREST Shareholders the relevant CREST instructions must have been settled as explained in this document by no later than 11 a.m. on 18 September 2014.

## **6. Other information relating to the Capital Raising**

The Second Subscription and the Open Offer are conditional, inter alia, upon:

- (a) the passing of the Resolutions at the General Meeting;

- (b) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- (c) Admission of the Second Subscription Shares and the Open Offer Shares becoming effective by not later than 8 a.m. on 26 September 2014 (or such later time and/or date as the Company and Cantor Fitzgerald Europe may agree).

Accordingly, if any of these conditions are not satisfied, or, if applicable, waived, then either or both of the Second Subscription and the Open Offer will not proceed.

The Second Subscription and Open Offer will result in the issue of in total 28,742,666 New Ordinary Shares, assuming full take up under the Open Offer (representing, in aggregate, approximately 8.84 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.

The proportionate holdings of Ordinary Shares held by Qualified Shareholders has been diluted by the issue of the Initial Subscription Shares and the Placing Shares and will be further diluted by the issue of the New Ordinary Shares pursuant to the Second Subscription. Qualifying Shareholders who do not take up any of their entitlements in respect of the Open Offer will experience a further dilution to their interests in the Company, dependent on the number of Open Offer Shares taken up by Qualifying Shareholders.

## **7. General Meeting**

A notice convening a General Meeting of the Company, to be held at 120 Moorgate, Moorgate, London EC2M 6UR at 11a.m. on 22 September 2014 is set out at the end of this document. At the General Meeting, resolutions will be proposed:

- Resolution 1: to authorise the Directors to allot the Second Subscription Shares and the Open Offer Shares;
- Resolution 2: to authorise the Directors to allot (or to grant the right to subscribe for or convert into) Ordinary Shares up to £530,991 in aggregate nominal amount;
- Resolution 3: to empower the Directors to allot the Second Subscription Shares and the Open Offer Shares for cash other than on a pre-emptive basis; and
- Resolution 4: to empower the Directors to allot (or to grant the right to subscribe for or convert into) Ordinary Shares for cash other than on a pre-emptive basis up to £530,991 in aggregate nominal amount.

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

### *General Meeting*

Shareholders will find accompanying this document a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and, in any event, so as to arrive no later than 11a.m. on 20 September 2014. Completion and return of the Form of Proxy will not affect Shareholders' right to attend and vote in person at the General Meeting if they so wish. Further information regarding the appointment of proxies can be found in the notes to the Notice of General Meeting and on the Form of Proxy itself.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

In order for the Second Subscription and the Open Offer to proceed, Shareholders will need to pass the Resolutions (Resolution 1 and 3 as described in paragraph 7 above). If the Resolutions are not passed, the Second Subscription and the Open Offer will not proceed, with the result that the net proceeds of the Capital Raising will be substantially less than anticipated and the proceeds of the Second Subscription and the Open Offer will not become available to fund proposed upcoming expenditure and to achieve the objectives set by the Board. The Company's business plan and growth prospects may be materially adversely affected as a result.

Accordingly it is important that Shareholders vote in favour of the Resolutions, in order that the Second Subscription and the Open Offer can proceed.

### *Open Offer*

#### *Qualifying Non-CREST Shareholders*

If you are a Qualifying Non-CREST Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares (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 4.1 of Part III of this document and on the Application Form itself.

#### *Qualifying CREST Shareholders*

If you are a Qualifying Non-CREST Shareholder, no Application Form accompanies this document 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 who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements in excess of their Open Offer Entitlements should be made in accordance with the procedures set out in section 4.2 of Part III of this document, unless you are an Overseas Shareholder in which event, applications should be made in accordance with the procedures set out in section 6 of Part III of this document.

**The latest time for applications under the Open Offer to be received is 11a.m. on 18 September 2014. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your 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 III of this document.**

**Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Open Offer.**

## **9. Overseas Shareholders**

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in section 6 of Part III of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you pay particular attention to that section of this document.

## **10. Swedish Depositary Receipts**

Holders of Swedish Depositary Receipts will be notified of the Open Offer and of the requirements and procedures to be followed if they wish to participate in the Open Offer through the arrangements made by the Company with SEB, the custodian bank for the Swedish Depositary Receipts.

## **11. Additional Information**

Your attention is drawn to the additional information set out in Parts II to IV (inclusive) of this document. This document will be available for a period of twelve months from the date on which it is issued on the Company's website <http://www.beowulfmining.net> free of charge in accordance with the requirements of Rule 26 of the AIM Rules for Companies.

## **12. Responsibility**

The Company and the Directors accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information

### **13. Recommendation**

The Board considers the Capital Raising and the passing of the Resolutions at the General Meeting to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions as they intend so to do or procure to be done in respect of their own beneficial and other connected interests, amounting in aggregate to 2,752,006 existing Ordinary Shares which represent approximately 1.14 per cent. of the Company's existing issued share capital.

Yours faithfully

**Clive Sinclair-Poulton**

*Executive Chairman*

## **PART II**

### **RISK FACTORS**

An investment in New Ordinary Shares may not be suitable for all recipients of this document and involves a number of risks. All the information set out in this document and, in particular, those risks relating to the Second Subscription and the Open Offer described below, should be carefully considered prior to making any investment decision. Accordingly you are strongly recommended to consult an independent financial adviser authorised under the FSMA, 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. In particular, the Company's performance is likely to be affected by changes to the market and/or economic conditions and legal, accounting, regulatory and tax requirements currently unknown by the Company. 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 Company's business, financial condition and operating results.

#### **1. Risks relating to the Company and its business**

##### **1.1 Dependence on key personnel**

The Company's future success is substantially dependent on the continued services and continuing contributions of the Directors and senior management. The loss of the services of any of these individuals could have a material adverse effect on the Company.

In addition, there is a risk that the Company will not be able to recruit executives of sufficient expertise or experience to maximise any opportunities that present themselves, or that recruiting and retaining those executives is more costly or takes longer than expected. The failure to attract and retain those individuals may adversely affect the Company's operations.

##### **1.2 Need for additional financing and dilution**

The net proceeds of the Capital Raising are likely to be insufficient to fund in full the development of the Company's mineral asset projects. Accordingly, the Company expects to seek additional sources of financing to implement its strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. If further financing is obtained by issuing equity securities or convertible debt securities, existing Shareholders may be diluted and the new securities may carry rights, privileges and preferences superior to the New Ordinary Shares. The Company may seek debt finance to fund all or part of any future development of the Company's projects. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. If such funding is unavailable, the Company may be required to reduce the scope of its anticipated operations. If debt financing is obtained, the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions imposed by the providers of such funding.



### **1.3 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 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.

### **1.4 Future issues of Ordinary Shares could dilute the interests of existing Shareholders and lower the price of New Ordinary Shares**

Under the Articles, except where authorised by a special resolution of the Shareholders or otherwise permitted by the Articles, any issue of Ordinary Shares for cash must be made on a pre-emptive basis. However, the Resolutions will permit the issue of Ordinary Shares (in addition to those issued and to be issued under the Capital Raising) for cash representing up to 8.84 per cent. of the Enlarged Share Capital. The Directors will also be generally authorised to issue Ordinary Shares representing up to 15 per cent. of the Enlarged Share Capital. Therefore existing Shareholders may not be offered the right or opportunity to participate in such future share issues, which may dilute existing Shareholders' interests in the Company. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Placing or the Capital Raising.

The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell their New Ordinary Shares at a desirable time or price.

### **1.5 Currency and foreign exchange**

Fluctuations in exchange rates between currencies in which the Company operates relative to pounds sterling may cause fluctuations in its financial results, which are not necessarily related to the Company's underlying operations. The Company's current operations would be particularly affected by adverse movements in the US dollar or the Swedish Krona.

### **1.6 The Company's mining licences and contracts**

The Company'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 Company's surface and/or subsurface use contracts and related working programmes contain a range of obligations on the Company, and there may be adverse consequences of breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the Company'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 Company's operations may have a material adverse impact on the Company's business, operating results and financial condition.

### **1.7 Changes to the current political and regulatory environment in Sweden may adversely affect the Company.**

The Company's exploration and development activities are and will continue to be conducted in Sweden. The political and economic conditions that currently exist in Sweden 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 Company'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 Company's operations and future profitability. Operations may be affected in varying degrees by the Swedish 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.

### **1.8 Information on Reserves and Resources**

The Company's reported mineral resources 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 Company. The estimation of mineral resources 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. A mineral resource is a statement of in situ mineralisation.

Only a certain proportion of estimated mineral resources will be translated into reserves and recovered as the Company proceeds to production on its development and exploration sites. There is no assurance that any of the mineral resources can be translated into reserves. Lower commodity prices and other factors may also render the Company's mineral resources uneconomic to exploit.

### **1.9 Uncertainty and cost of mineral exploration and acquisitions**

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

Once the mineral resource is defined, it can take several years to determine whether mineral reserves exist. During this time the economic viability of the deposits may change.

The Company may consider from time to time the acquisition of other exploration and development properties, either as stand-alone assets or as to be integrated into existing Company projects. Its decisions to acquire these properties will be based on a variety of factors, including historical exploration and/or operating results, estimates of and assumptions about future resources and reserves, commodity prices and and projected economic returns and evaluations of existing or potential liabilities associated with each

property and its operations. Other than historical exploration and/or operating results, all of these parameters may differ significantly from the Company's estimates and assumptions.

## **2. Risk factors associated with the Second Subscription and Open Offer and New Ordinary Shares**

### **2.1 It may be difficult to realise an investment on AIM. The market price of the Ordinary Shares may fluctuate widely in response to different factors**

The New Ordinary Shares will be quoted on AIM. The AIM Rules for Companies are less demanding than those of the Official List and an investment in a share that is traded on AIM may carry a higher risk than an investment in shares listed on the Official List. The share price of publicly traded companies can be highly volatile.

It may be more difficult for an investor to realise his or her investment in the Company than to realise an investment in a company whose shares or other securities are listed on the Official List or other similar stock exchange. Shares held on AIM are perceived to involve higher risks. AIM is a market designed for small and growing companies but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed. 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.

### **2.2 The interests of Shareholders have been and will be diluted by the Placing and the Subscription and if a Qualifying Shareholder does not take up his entitlement under the Open Offer, his interest in the Company will be further diluted**

Shareholders' proportionate ownership and voting interests in the Company have been reduced pursuant to the Placing and the Initial Subscription. In addition, to the extent that Qualifying Shareholders do not take up their entitlement of Open Offer Shares, their proportionate ownership and voting interests in the Company will be further reduced, dependent on the number of Open Offer Shares taken up by Qualifying Shareholders.

### **2.3 Future sales of Ordinary Shares could adversely affect the Share Price**

Sales of additional Ordinary Shares into the public market following the Second Subscription and 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.

### **2.4 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 Company's control, including variations in exploration results in the Company's reporting periods; changes in financial estimates by securities analysts; changes in market valuation of similar companies; announcements by the Company 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 increase in losses, cash outflows or expenditures 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.

## **2.5 Risks relating to Resolutions not being passed**

### ***If the Resolutions are not passed, the Company will not be able to proceed with the Second Subscription and the Open Offer***

Resolution 1 to be proposed at the General Meeting will be proposed as an ordinary resolution and, in order to be passed, will require the support of a simple majority of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. Resolution 2 to be proposed at the General Meeting will be proposed as a special resolution and, to be passed, will require the support of not less than 75 per cent. of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. The Second Subscription and the Open Offer are conditional, inter alia, on the passing of both Resolutions.

In the event that the Resolutions are not passed, the Company will not be able to proceed with the Second Subscription and Open Offer, with the result that the anticipated net proceeds of the Second Subscription and Open Offer will not become available to fund proposed upcoming expenditures and achieve the objectives currently pursued by the Board. The Company's business plan and growth prospects may be materially adversely affected as a result.

Additionally, in the event that it is unable to proceed with the Second Subscription and Open Offer, given its anticipated working capital requirements in 2014/2015 and in order to fund proposed upcoming expenditure and to pursue its business plan, the Company may seek alternative equity and/or debt financing on whatever terms are available to it, which may result in greater dilution of the interests of the holders of Existing Ordinary Shares and/or in the Company incurring significant indebtedness. Such equity or debt financing may not be made available on terms that are as favourable to the holders of the Existing Ordinary Shares as those envisaged in the Second Subscription and Open Offer, or at all.

## **2.6 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 interests in the Company will be reduced pursuant to the Second Subscription. Shareholders' proportionate ownership and voting interests in the Company will be further reduced pursuant to Open Offer to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer.

## **2.7 Pre-emptive rights may not be available for non-UK holders of Ordinary Shares**

If Ordinary Shares are to be issued by the Company for cash, Shareholders are entitled to pre-emption rights pursuant to the Articles unless such rights are waived by a resolution of the Shareholders at a general meeting (as proposed in respect of the Second Subscription and Open Offer) and such an issue could dilute the interests of the then existing Shareholders. To the extent that pre-emptive rights apply in respect of future issue of Ordinary Shares by the Company for cash, certain non-UK holders of Ordinary Shares may not be able to exercise pre-emptive rights for their Ordinary Shares unless the Company decides to comply with applicable local laws and regulations or an exemption from the registration requirements thereunder is available.

## **2.8 Other risk factors**

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

The investment offered in this document may not be suitable for all of its recipients. Investors are accordingly advised to consult an independent financial 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**

### **TERMS AND CONDITIONS OF THE OPEN OFFER**

#### **1. Introduction**

As explained in the letter set out in Part I: “Letter from the Executive Chairman” of this document, the Company is proposing to issue up to 13,333,333 New Ordinary Shares, at the Issue Price, to raise, assuming that it is fully subscribed, approximately £0.4million (before expenses incurred in relation to the Open Offer).

The Record Date for entitlements under the Open Offer for Qualifying Shareholders is 5pm on 20 August 2014. An Application Form for each Qualifying Non-CREST Shareholder is enclosed with this document and Open Offer Entitlements and excess CREST Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 2 September 2014.

The Open Offer is an opportunity for Qualifying Shareholders to apply for Open Offer Shares at the Issue Price on the basis of 1 Open Offer Share for every 21 Ordinary Shares held on the Record Date, in accordance with the terms of the Open Offer. **Qualifying Shareholders are also being offered the opportunity under the Excess Application Facility to apply for additional Open Offer Shares in excess of their Open Offer Entitlements to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlements in full.** Further details in relation to the Excess Application Facility are set out in section 4.1 (c) and section 4.2 (c) of this Part III “Terms and Conditions of the Open Offer” and also, for Qualifying Non-CREST Shareholders, in the Application Form.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11 a.m. on 18 September 2014. Application will be made to AIM for Open Offer Shares to be admitted to trading on AIM and Admission and commencement of dealings in Open Offer Shares is expected to take place at 8 a.m. on 26 September 2014.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. The attention of Qualifying Non-CREST Shareholders is drawn to paragraph 4.1, and the attention of Qualifying CREST Shareholders is drawn to paragraph 4.2, of this Part III: “Terms and Conditions of the Open Offer” which gives details of the procedure for application and payment for the Open Offer Shares and any additional shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

Subject to Admission and assuming that the Open Offer is fully subscribed, the Open Offer Shares will represent approximately 3.77 per cent. of the Enlarged Share Capital and the Existing Ordinary Shares will represent approximately 91.89 per cent. of the Enlarged Share Capital.

The Open Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be fewer than 13,333,333 Open Offer Shares issued pursuant to the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Record Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the buyer(s).

**The attention of Overseas Shareholders is drawn to section 6.**

## **2. The Open Offer**

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for any number of Open Offer Shares pro rata to their holdings at the Issue Price of 3 pence per Open Offer Share on the basis of:

### **1 Open Offer Share for every 21 Ordinary Shares held on the Record Date**

The Issue Price is at a discount of 14 per cent. to the closing middle market price of 3.5 pence per Ordinary Share on 20 August 2014 (being the last practicable date before the announcement of the Capital Raising).

Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and used to satisfy applications under the Excess Application Facility.

**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, as will holdings under different designations and in different accounts.**

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 3). Qualifying Non-CREST Shareholders should refer to paragraph 4.1 of this Part III: "Terms and Conditions of the Open Offer" for information on the relevant application procedures and further details on the Excess Application Facility as well as the Application Form.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part IV "Questions and Answers about the Open Offer" and, for Qualifying Non-CREST Shareholders, the Application Form.

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part III: "Terms and Conditions of the Open Offer" for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back pro rata to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Please refer to paragraphs 4.1(c) and 4.2(c) of this Part III "Terms and Conditions of the Open Offer" for further details of the Excess Application Facility.

**If a Qualifying Shareholder does not take up any of his entitlement under the Open Offer, his proportionate holding of Ordinary Shares will be diluted dependent on the number of Open Offer Shares taken up by Qualifying Shareholders under the Open Offer.**

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder**

originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear UK & Ireland's Claims Processing Unit.

**Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under their Open Offer Entitlements will be used to satisfy applications by Qualifying Shareholders who have made an application for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility, with the proceeds retained for the benefit of the Company. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be no or fewer than 13,333,333 Open Offer Shares issued pursuant to the Open Offer.**

Application will be made for the Open Offer Entitlements issued to Qualifying CREST Shareholders and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8:00 a.m. on 26 September 2014.

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

The Open Offer Shares will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

### **3. Conditions and further terms of the Open Offer**

The Open Offer is conditional upon, amongst other things, the passing of the Resolutions at the General Meeting and upon the Placing Agreement becoming unconditional in all respects (other than as to Admission) and Admission of the Open Offer Shares becoming effective by not later than 8:00 a.m. on 26 September 2014 (or such later time and/or date as the Company and CFE may determine, not being later than 8:00 a.m. on 31 October 2014).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form; definitive certificates are expected to be posted by 30 September 2014. Open Offer Shares issued in uncertificated form are expected to be credited to stock accounts maintained in CREST by as soon as possible after 8:00 a.m. on 26 September 2014.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur at 8am on 26 September 2014, when dealings in the Open Offer Shares are expected to commence.

All monies received by the Receiving Agent in respect of Open Offer Shares will be credited to a non-interest bearing account by the Receiving Agent.

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

#### 4. Procedure for application and payment

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 Open Offer Entitlement under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account.

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form (i.e. their Ordinary Shares) will have received the Application Form enclosed with this document. The Application Form shows the number of Ordinary Shares held by them at the Record Date. It will also show Qualifying Non-CREST Shareholders the number of Open Offer Shares for which they are entitled to apply under the Open Offer in certificated form. Qualifying Shareholders who hold all their Ordinary Shares in CREST will be issued Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Ordinary Shares in uncertificated form 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 Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2 of this Part III: “Terms and Conditions of the Open Offer”.

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.

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

##### 4.1. *If you have received an Application Form in respect of your Open Offer Entitlements under the Open Offer*

###### (a) *General*

Subject as provided in paragraph 6 of Part III: “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will have received an Application Form. The Application Form shows the number of Ordinary Shares registered in their name on the Record Date in Box 3. It also shows (in Box 4) the Open Offer Entitlement allocated to them. Fractions of Open Offer Shares will not be allotted; instead, each Qualifying Shareholder’s entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and used to satisfy applications under the Excess Application Facility. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Qualifying Non-CREST Shareholders may apply for less than their Open Offer Entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 13,333,333 applications under the Excess Application Facility will be scaled back pro rata to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

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

In the event that the Open Offer does not become unconditional by 8:00 a.m. on 26 September 2014 or such later time and date as the Company and CFE may agree (being no later than 31 October 2014), the Open Offer will lapse, any Application Forms submitted to the Receiving Agent will be deemed invalid and the Receiving Agent will



refund the amount paid by a Qualifying Non-CREST Shareholder by way of cheque, without interest, at the risk of the Shareholder concerned, as soon as practicable thereafter.

*(b) Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Ordinary Shares through the market prior to the date upon which the Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00p.m. on 16 September 2014. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 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 be forwarded to or transmitted in or into any Restricted Jurisdiction. 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 procedure set out in paragraph 4.2(b) below.

*(c) The Excess Application Facility*

Subject to availability and provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Open Offer Shares in excess of his Open Offer Entitlement.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back pro rata to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Qualifying Non-CREST Shareholders 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.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed 13,333,333 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying Non-CREST Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant’s sole risk.

*(d) Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlements in full.

Completed Application Forms should be posted in the accompanying pre-paid envelope or returned by post or by hand (during normal business hours only) to the Receiving Agent, Neville Registrars Limited, Neville House, 18

Laurel Lane, Halesowen, West Midlands, B63 3DA, so as to be received by the Receiving Agent by no later than 11:00 a.m. on 18 September 2014, after which time Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four working days for delivery.

All payments must be made by cheque in pounds sterling and made payable to “Neville Registrars Limited re clients account” and crossed “A/C Payee Only”. Cheques must be drawn on a bank 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. The account name should be the same as that shown on the Application Form. Third party cheques, building society cheques and banker’s drafts will not be accepted.. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker’s drafts sent through the post will be sent at the risk of the sender.

If cheques are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. 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.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11:00 a.m. on 18 September 2014; or
- (ii) applications in respect of which remittances are received before 11:00 a.m. on 18 September 2014 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

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 sole risk.

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder’s cheque or banker’s draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder’s application is subsequently otherwise deemed to be invalid, the Receiving Agent 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 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 Receiving Agent, CFE, 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.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to *Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA or*

*you can contact the Receiving Agent via phone on +44 (0) 121 585 1131* between 9:00 a.m. and 5:00 p.m. Monday to Friday. Calls to the helpline from within the UK are charged at your service provider's standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

**Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Non-CREST Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by using the Proxy Form that accompanies this document.**

**A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 4.2(g) below for more information.**

(e) *Effect of application*

By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company and CFE 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;
- (ii) agrees with the Company and CFE that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and CFE that in making the application he is not relying on any information or representation in relation to Beowulf Mining 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 information in relation to Beowulf Mining contained in this document;
- (iv) represents and warrants to the Company and CFE that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (v) represents and warrants to the Company and CFE that if he has received some or all of his Open Offer Entitlements from a person other than Beowulf Mining he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares, to which he will become entitled, be issued to him on the terms set out in this document and the Application Form, subject to the articles of association of the Company;
- (vii) represents and warrants to the Company and CFE that he is not, nor is he applying on behalf of any person who is in any Restricted Jurisdiction or 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 or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in any Restricted Jurisdiction or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by

law (except where proof satisfactory to the Company has been provided to the Company that he is able to apply for Open Offer Shares free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares;

- (viii) represents and warrants to the Company and CFE 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; and
- (ix) confirms to the Company and CFE that in making the application he is not relying and has not relied on CFE or any person affiliated with CFE in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

4.2. ***If Open Offer Entitlements and Excess CREST Open Offer Entitlements have been credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in paragraph 6 of Part III: “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer and also an Excess CREST Open Offer Entitlement. Fractions of Open Offer Shares will not be allotted; instead, each Qualifying CREST Shareholder’s entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and used to satisfy application under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder.

If for any reason the Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3:00 p.m. on 2 September 2014, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their Open Offer Shares Entitlements and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact, the Receiving Agent, ***Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA or you can contact the Receiving Agent via phone on 0121 585 1131 from within the UK or on +44 (0)121 585 1131 if calling from outside the UK*** between 9:00 a.m. and 5:30 p.m. Monday to Friday. Calls to the helpline from within the UK are charged at your service provider’s standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or 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 as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

**Qualifying CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not give, or procure that there is given, any USE instruction to**

**Euroclear UK & Ireland. Qualifying CREST Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by using the CREST Proxy Voting service.**

(b) *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder 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 and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *The Excess Application Facility*

Subject to availability and provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions set out below in this paragraph 4.2 (c) 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 cease to hold all of his 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 will be transferred to the purchaser(s). 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 under the Open Offer exceed 13,333,333 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement 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 multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant’s sole risk.

(d) *Unmatched Stock Event (“USE”) instructions*

Qualifying CREST Shareholders who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear UK & Ireland which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer 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 the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

(e) *Content of USE instruction 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 Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BQ7OQJ59;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA11;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is BEOWULF;
- (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 11:00 a.m. on 18 September 2014; 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 18 September 2014.

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

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

In the event that the Open Offer does not become unconditional by 8:00 a.m. on 26 September 2014 or such later time and date as the Company and CFE determine (being no later than 8:00 a.m. on 31 October 2014), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Content of USE instruction 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 Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BQ7OQL71;
- (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 the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA11;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is BEOWULF;
- (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 11:00 a.m. on 18 September 2014; 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 18 September 2014.

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

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

In the event that the Open Offer does not become unconditional by 8:00 a.m. on 26 September 2014 or such later time and date as the Company and CFE determine (being no later than 8.00 a.m. on 31 October 2014), the Open Offer will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

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

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

3.00pm. on 15 September 2014. 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 the Receiving Agent.

In particular, having regard to normal processing times in CREST and, on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold his Open Offer Entitlement set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 15 September 2014 and the recommended latest time for receipt by Euroclear UK & Ireland of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4:30 p.m. on 9 September 2014 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility 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 the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11:00 a.m. on 18 September 2014.

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 named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it is/they are not in a Restricted Jurisdiction or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which an application for New Ordinary Shares is prevented by law 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.

(h) *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 18 September 2014 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear UK & Ireland 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 18 September 2014. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

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

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (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 Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and



- (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).

(k) *Effect of valid application*

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

- (i) represents and warrants to the Company and CFE 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;
- (ii) agrees with the Company and CFE to 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 the Receiving Agent'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);
- (iii) agrees with the Company and CFE that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company and CFE that in making the application he is not relying on any information or representation in relation to Beowulf Mining 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 Beowulf Mining contained in this document;
- (v) represents and warrants to the Company and CFE that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants to the Company and CFE that if he has received some or all of his Open Offer Entitlements from a person other than Beowulf Mining, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vii) requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the articles of association of the Company;
- (viii) represents and warrants to the Company and CFE that he is not, nor is he applying on behalf of any Shareholder who is, in any Restricted Jurisdiction or 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 or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in any Restricted Jurisdiction or 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 or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to apply for Open Offer Shares free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares;

- (ix) represents and warrants to the Company and CFE 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; and
- (x) confirms to the Company and CFE that in making the application he is not relying and has not relied on CFE or any person affiliated with CFE 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 the 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 III: "Terms and Conditions of the Open Offer";
- (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 the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear UK & Ireland of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations 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 the Receiving Agent in connection with CREST.
- (m) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8:00 a.m. on 26 September 2014 or such later time and date as the Company and CFE may agree (being no later than 8.00 a.m. on 31 October 2014), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

## **5. Money laundering regulations**

### **5.1. Holders of Application Forms**

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements is the responsibility of such broker

or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the "applicant"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5 the "relevant Open Offer Shares") shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

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

**Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent and CFE from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.**

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.2005/60/EC));
- (ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "Neville Registrars Limited re clients account" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques, building society cheques and banker's drafts will not be accepted. The account name should be the same as that shown on the Application Form; or

- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at the address set out on page 6 of the Application Form.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the applicant should contact the Receiving Agent, ***Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA*** or you can contact the Receiving Agent on ***0121 585 1131*** if calling from within the UK or on ***+44 (0) 121 585 1131*** if calling from outside the UK between 9:00 a.m. and 5:30 p.m. Monday to Friday. Calls to the helpline from within the UK are charged at your service provider's standard rate. Calls made from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Receiving Agent cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,000) or more and is/are lodged by hand by the applicant in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the applicant and the accompanying payment is not the applicant's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11:00 a.m. on 18 October 2014, the Receiving Agent has not received evidence satisfactory to it as mentioned above, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as mentioned above).

## **5.2. *Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, 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 Money Laundering 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 failure to provide satisfactory evidence.

## 6. Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### 6.1. General

**The distribution of this document and the making 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.**

No action has been or will be taken by the Company, CFE, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST 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 document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts 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 document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST 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 or Excess CREST 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 or Excess CREST 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 document 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 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.

None of the Company, CFE, nor any of their 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 document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST 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 CREST 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 document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST 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 unless the Company and CFE determine 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 document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST 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 III: "Terms and Conditions of the Open Offer" and specifically the contents of this paragraph 6.

The Company reserves the right 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 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 or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST 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.

Notwithstanding any other provision of this document or the relevant 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 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 or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in a Restricted Jurisdiction or 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 CREST Open Offer Entitlements.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or Excess CREST 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 document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## 6.2. *United States*

The New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from 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 unless an exemption from the registration requirements of the US Securities Act as amended, is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Subject to certain exceptions, neither this

document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a nondiscretionary basis in the United States or any state of the United States. The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or dispatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company and CFE reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer Shares.

In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the US Securities Act.

### 6.3. *Other Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions other than the US and subject to certain exemptions, Shareholders 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 CREST 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, resold, 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 document or the Application Forms into any Restricted Jurisdiction.

### 6.4. *Other overseas territories*

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Other Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares in accordance with the instructions set out in this document and the Application Form.

**Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional**

**advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.**

**6.5. Representations and warranties relating to Overseas Shareholders**

*(a) Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, CFE and 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 the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to apply for or otherwise acquire 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 non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to apply was given; and (iv) such person is not acquiring 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 any Restricted Jurisdiction or any territory referred to in (ii) above. The Company and/or the Receiving Agent may treat as invalid any application or purported application for Open Offer Shares comprised in an Application Form if it: (i) 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 (ii) provides an address in a 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 sub-paragraph (a).

*(b) Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III: "Terms and Conditions of the Open Offer" represents and warrants to the Company, CFE 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) he or she is not within any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring 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 any Restricted Jurisdiction or territory referred to in (ii) above.

**6.6. Waiver**

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

**7. Admission, settlement and dealings**



The result of the Open Offer is expected to be announced at 7.a.m on 19 September 2014. Applications will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8:00 a.m. on 26 September 2014.

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 such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11:00 a.m. on 18 September 2014 (the latest date for applications under the Open Offer). If the condition(s) 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 26 September 2014, the Receiving Agent will instruct Euroclear UK & Ireland to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 26 September). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements and to 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 the Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for (including Excess Shares successfully applied for under the Excess Application Facility) are expected to be despatched by post by 30 September 2014. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. 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 are referred to paragraph 4.1 above and their respective Application Form.

## **8. Times and Dates**

The Company shall, in agreement with CFE and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are dispatched 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 AIM and make an announcement on a Regulatory Information Service approved by AIM but Qualifying Shareholders may not receive any further written communication.

## **9. Further information**

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

## **10. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By subscribing Open Offer Shares, whether by way of their Open Offer Entitlements or through the Excess Application Facility (as applicable), in accordance

with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## **PART IV**

### **QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER**

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

*This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who are Qualifying Non-CREST Shareholders. If you are an Overseas Shareholder, you should read paragraph 6 of Part III: “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements. If you hold your Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III “Terms and Conditions of the Open Offer” of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.*

*If you do not know whether your Ordinary Shares are in certificated or uncertificated form, please call Neville Registrars Limited on +44 (0) 121 585 1131.*

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

#### **1. What is an Open Offer?**

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. 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 Beowulf Mining to Qualifying Shareholders to apply for up to 13,333,333 New Ordinary Shares at a price of 3 pence per share. If you held Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 21 Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

The Issue Price of 3 pence per Open Offer Share represents a 14 per cent. discount to the closing middle market price of 3.5 pence per Ordinary Share on 20 August 2014, the last Business Day before the announcement of the Capital Raising on 21 August 2014.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back *pro rata* to

existing shareholdings if applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares.

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 who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders 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 tradeable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a bona fide market claim.

**2. I hold my Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Ordinary Shares before 22 August 2014 (the time when the Ordinary Shares are expected to be marked “ex-entitlement” by AIM).

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

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

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

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

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 document. 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.

**4. I am a Qualifying Shareholder with a registered address in the UK and I hold my Ordinary Shares in certificated form. 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 send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the

amount (as indicated in Box 5 of your Application Form), payable to “Neville Registrars Limited re: clients account” and crossed “A/C payee only”, in the reply-paid envelope provided, by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane , Halesowen B63 3DA, UK to arrive by no later than 11a.m. on 18 September 2014.

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 30 September 2014.

**(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 7 of your Application Form; for example, if you are entitled to take up 500 shares but you only want to take up 250 shares, then you should write ‘250’ in Box 7.

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, ‘2,500’) by 3 pence, which is the price in pounds of each Open Offer Share (giving you an amount of £75 in this example). You should write this amount in Box 9, rounding down to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount payable to “Neville Registrars Limited re clients account” and crossed “A/C payee only”, in the reply-paid envelope provided, by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane , Halesowen B63 3DA, UK to arrive by no later than 11a.m. on 18 September 2014, after which time Application Forms 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 document and will be 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 dispatched to you by no later than 30 September 2014.

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

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box 6, which must be the number of Open Offer Shares shown in Box 4. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 7 and then complete Box 8 by adding together the numbers you have entered in Boxes 6 and 7.

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 8 by 3 pence, which is the price of each Open Offer Share. You should write this amount in Box 9, 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 Neville Registrars Limited re: clients account” and crossed “A/C payee only”, in the reply-paid envelope provided (for use within the UK only) by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA, UK, to arrive by no later than 11a.m. on 18 September, 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 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 will be scaled back pro rata to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event Qualifying Shareholders 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, 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 30 September 2014.

***(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 sold, as would happen under a rights issue. You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form applying for the Open Offer Shares to which you are entitled by 11a.m. on 18 September 2014, the Company will seek to issue those Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then, following the issue of the Open Offer Shares pursuant to the Open Offer, your proportionate holding of Ordinary Shares will be diluted dependent on the number of Open Offer Shares taken up by Qualifying Shareholders.

**5. I hold my Ordinary Shares 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 III: "Terms and Conditions of the Open Offer" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility (provided they choose to take up their Open Offer Entitlement in full) and should contact them should they not receive this information.

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

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

- Qualifying CREST Shareholders who held their Ordinary Shares in uncertificated form on the Record Date and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Ordinary Shares before 22 August 2014 but were not registered as the holders of those shares at the Record Date; and

- certain Overseas Shareholders.

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

If you bought Ordinary Shares at or after the Record Date you are unlikely to be able to participate in the Open Offer unless you have a bona fide market claim. If you bought Ordinary Shares on or after 22 August 2014 (the ex entitlement date), you will not be eligible to participate in the Open Offer in respect of those Ordinary Shares.

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.

#### **8. Can I trade my Open Offer Entitlement?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders 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 have not been placed subject to clawback (to meet applications under the Open Offer) nor have they been underwritten.

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

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.

#### **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 as 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 Ordinary Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of New Ordinary Shares will be aggregated and used towards the Excess Application Facility.

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

If you hold your Ordinary Shares in the Company yourself and have sold some or all of your them before 22 August 2014, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer.

If you have sold or sell any of your Ordinary Shares on or after 22 August 2014, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

#### **13. I hold my Ordinary Shares in certificated form. How do I pay?**

You should return your Application Form with a cheque drawn in pounds sterling on a UK bank 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 “Neville Registrars

Limited re: clients account” and crossed “A/C payee only”. Payments via CHAPS, BACS or electronic transfer will not be accepted.

**14. Will the 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, dependent on the number of Open Offer Shares taken up by Qualifying Shareholders.

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

You should send your completed Application Form in the accompanying pre-paid envelope or return by post or by hand (during normal office hours only), together with the monies in the appropriate form, to: Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA, UK (who will act as receiving agent in relation to the Open Offer). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

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

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

Neville Registrars Limited must receive the Application Form by no later than 11a.m. on 18 September 2014, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

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

It is expected that Neville Registrars Limited will post all new share certificates by 30 September 2014.

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

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

**19. What should I do if I think my holding of Ordinary Shares (as shown in Box 3 on the Application Form) is incorrect?**

If you bought or sold Ordinary Shares 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 Ordinary Shares before 22 August 2014 but were not registered as the holder of those shares on the Record Date for the Open Offer (5.p.m on 20 August 2014), you may still be eligible to participate in the Open Offer. 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 acquired on or after 5.00p.m. on 20 August 2014.

**20. Will the Open Offer affect dividends on the Existing Ordinary Shares?**

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.



**21. 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 any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in section 6 of Part III: “Terms and Conditions of the Open Offer” of this document.

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

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (in Box 13 in the Application Form), and ensure it is deposited with the CREST Courier and Sorting Services in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

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

If you are a Qualifying Non-CREST Shareholder, you may not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than the pounds sterling equivalent of €15,000 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, 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 should refer to section 5.1 of Part III of this document and Qualifying CREST Shareholders should refer to section 5.2 of Part III.

**24. Further assistance**

Should you require further assistance please call Neville Registrars Limited on +44 (0)121 585 1131. Please note that, for legal reasons Neville Registrars Limited is only able to provide information contained in this document and information relating to the Company’s register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, accounting, tax, investment or other professional advice.

# BEOWULF MINING PLC

(Incorporated and Registered in England and Wales under the Companies Act 1985 with registered number 02330496)

## NOTICE OF GENERAL MEETING



BEOWULF MINING plc

*Directors:*

Clive Sinclair-Poulton (*Executive Chairman*)

Fred Boman (*Production Director*)

Jan-Ola Larsson (*Technical Director*)

Anthony Scutt (*Non-Executive Director*)

Edward Taylor (*Non-Executive Director & Company Secretary*)

*Registered Office:*

Richmond House

Broad Street

Ely

Cambridgeshire

CB7 4AH

NOTICE IS HEREBY GIVEN that a General Meeting (the “**Meeting**”) of Beowulf Mining plc (the “**Company**”) will be held at 120 Moorgate, Moorgate, London EC2M 6UR on 22 September 2014 at 11:00 a.m. to consider and, if thought fit, to pass the following resolutions which will be proposed as to Resolutions 1 and 2 as ordinary resolutions and as to Resolutions 3 and 4 as special resolutions:

### **Resolution 1**

THAT the directors of the Company (the “**Directors**”) be and are hereby generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Companies Act 2006):

- a) up to an aggregate nominal amount of £154,093.33 in connection with a subscription for ordinary shares of 1p each in the Company (“**Ordinary Shares**”) by Lanstead Capital L.P. (the “**Subscription**”); and
- b) up to an aggregate nominal amount of £133,333.33 in connection with an open offer of Ordinary Shares to the registered holders of Ordinary Shares at 5pm on 20 August 2014 (the “**Open Offer**”),

provided that the authorities granted by these resolutions shall expire on the conclusion of the Company’s next annual general meeting (unless renewed, varied or revoked prior to or on such a date).

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

### **Resolution 2**

THAT the Directors be and are hereby generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) in addition to the authority granted by Resolution 1 above:

- a) in the case of ordinary shares in the Company, having a nominal amount; and
- b) in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares in the Company having a nominal amount,

not exceeding, in aggregate, £530,991 provided that the authority granted by this resolution shall expire on the conclusion of the Company’s next annual general meeting (unless renewed, varied or revoked prior to or on such a

date), save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authorities conferred by these resolutions have expired.

### **Resolution 3**

THAT, subject to the passing of Resolution 1, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash pursuant to the authority conferred by Resolution 1 as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- a) having an aggregate nominal amount not exceeding £154,093.33 in connection with the Subscription; and
- b) up to an aggregate nominal amount of £133,333.33 in connection with the Open Offer,

provided that the power granted by this resolution shall expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked prior to or on such date).

### **Resolution 4**

THAT, subject to the passing of Resolution 2, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by Resolution 1 or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities, in addition to the powers granted by Resolution 2:

- a) in the case of ordinary shares in the Company, having a nominal amount; and
- b) in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares in the Company,

having a nominal amount not exceeding, in aggregate, £530,991, provided that the power granted by this resolution shall expire on the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked prior to or on such date), save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

Edward Taylor  
Company Secretary  
Beowulf Mining plc

Richmond House  
Broad Street  
Ely  
Cambridgeshire  
CB7 4AH

1 September 2014

## **Notes**

### **Entitlement to attend, speak and vote**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
  - 6.00 p.m. on 20 September 2014; or,
  - If the Meeting is adjourned, 6.00 p.m. on the day two days prior to the adjourned meeting,shall be entitled to attend, speak and vote at the Meeting.

Changes to the register of members after 6.00 p.m. on 20 September 2014 shall be disregarded in determining the rights of any person to attend, speak and vote at the Meeting.

### **Appointment of proxies**

2. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
3. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please use the procedures set out in the notes to the form of proxy.
4. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed (or a notorially certified copy) should be completed, signed and sent or delivered to Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to arrive not less than 48 hours before the time of the meeting. Completion and return of the form of proxy does not preclude a shareholder from subsequently attending and voting at the meeting in person should they subsequently wish to do so.

### **Issued shares and total voting rights**

5. As at 6.00 p.m. on 29 August 2014, the Company's issued share capital comprised 325,251,365 ordinary shares of one penny each fully paid. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 29 August 2014 is 325,251,365. The Company does not hold any shares in treasury.

### **Communication**

6. Except as provided above, members who have general queries about the Meeting should telephone Edward Taylor on 01366 500 722 (no other methods of communication will be accepted).
7. You may not use any electronic address provided either:
  - in this notice of general meeting; or
  - in any related documents (including the chairman's letter and form of proxy),to communicate with the Company for any purposes other than those expressly stated.