

## Tungsten West Ltd

# Intention to Float on AIM and Proposed Fundraising

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Tungsten West Ltd  
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11 October 2021

**Tungsten West Plc**

**("Tungsten West", the "Company" or the "Group")**

### **Announcement of Intention to Float on AIM and Proposed Fundraising to Raise £39m**

Tungsten West, the mining Company focussed on recommencing production at the Hemerdon tungsten and tin mine ("Hemerdon" or the "Project") in Devon, England, today announces its intention to proceed with an initial public offering, comprising an institutional placing and subscription (the "IPO" or the "Offer"). The Company has conditionally raised £39 million before expenses from the Offer of 65,000,000 new ordinary shares of £0.01 each in the capital of the Company ("Ordinary Shares") at an Offer price of £0.60 pence per share and has applied for admission of its Ordinary Shares to trading on the AIM market of the London Stock Exchange ("Admission"). Admission is expected to occur at 8.00 a.m. on 21 October 2021 with a market capitalisation of approximately £106.2 million.

#### **Key Highlights**

- The Offer price has been set at £0.60 pence per Ordinary Share, equating to a market capitalisation of approximately £106.2 million on Admission. The Offer comprises 65,000,000 new Ordinary Shares, representing approximately 36.7 per cent. of the issued share capital of the Company on Admission.
- The net proceeds of the Offer, together with the \$49.0 (£36) million project financing (exclusive of £4.2 million of equity contributed to the Offer) from a fund managed by Orion Resource Partners ("Orion"), will be used by the Company as follows:
  - to execute the planned capital expenditure and corporate commitments of £44.6 million for improvement works at the Hemerdon Mine;
  - to bring the Hemerdon Mine back into commercial production;
  - for general corporate overheads, including marketing and business development, other planned capital expenditure and for general working capital purposes (approximately £12 million); and
  - to settle Admission and Offer-related fees and expenses (approximately £3.1 million).
- The Directors believe that the Offer and Admission will raise the profile of the business and its products and provide a supportive platform on which to grow the business further through in-licensing of additional technologies or selective acquisition as appropriate.

#### **Key Strengths of the Group**

##### **· World-class asset with proven resource**

Hemerdon is the third largest tungsten resource globally, as well as being a previously producing mine that was operational from 2015 - 2018. Tungsten West purchased the Hemerdon Mine in 2019, and has since completed a Bankable Feasibility Study, demonstrating an extensive reserve of approximately 63.3Mt at 0.18% Tungsten and 0.03% Tin, as well as 37.4Mt of saleable aggregate material. The Company estimates that the life of mine is currently 18.5 years with the opportunity to extend this through future investment.

##### **· Significant existing infrastructure**

The Hemerdon Mine already has the majority of its infrastructure in place, with previous owner Wolf Minerals Ltd ("Wolf Minerals") having invested over £170 million into the development of the mine and its processing facilities, which include an open pit mine, mineral processing facility and mine waste facility. With a substantial amount of existing infrastructure, the development costs associated with re-starting the mine are estimated to be £44.6 million. This existing infrastructure also means that the rebuild is only expected to take twelve months, with parts of the restart project already underway.

##### **· Rebuild fully funded with backing of mining financier**

The Bankable Feasibility Study estimates the cost to restarting the Hemerdon mine at approximately £44.6 million. Tungsten West has already signed definitive documents with Orion to secure a project financing package of circa. £36

million (exclusive of £4.2 million of equity). In addition to the successful £39 million raise, the Directors consider the Company is now fully funded with a cash buffer through to first production.

The project financing from Orion is conditional on a raise of net proceeds of, in the aggregate, at least £25 million, and comprises:

- US\$21 million (approximately £15.4 million) investment repayable by reference to revenue derived from metal and aggregates; and
- US\$28 million (approximately £20.6 million) senior secured debt facility.

#### · **Historical issues of previous operator fully resolved**

Having acquired the mine out of a receivership process, Tungsten West completed a significant amount of work to enable it to understand and address the issues historically experienced by Wolf Minerals, including a 6,113m geological exploration drilling programme and several technical studies. The Company has identified the past issues experienced by Wolf Minerals that required rectifying. One of the main issues was a poor mineral process route design, with several items of equipment, particularly in the front end of the plant, causing plant downtime and hindering the recovery of the tungsten and tin minerals. Tungsten West has therefore designated a material proportion of its rebuild costs to modifying and updating the front-end of the processing plant. This will include replacing the existing crushing circuit with new duty and standby primary jaw crushers and secondary cone crushers. In addition, the introduction of X-ray transmission ore-sorting substantially reduces processing costs by rejecting approximately 70% of the ore fed to the sorters. Further upgrades to the plant commenced by the previous operator will be completed, including the DMS feed stockpile where 24 hours of surge capacity will be installed, decoupling the front-end of the plant from the concentrator circuit. Through these actions the Company expects plant operating time to improve from c.53% under previous operatorship to the industry standard of c.81% under Tungsten West.

#### · **Strategic mineral with tight supply chain driving positive pricing sentiment**

Tungsten and tin, the primary materials produced from the Hemerdon mine are considered critical minerals in the UK, EU & US due to their importance in the oil & gas, manufacturing, automotive and technology industries. The medium-term reduced new mine supply in global tungsten mines, in addition to both commodities' roles in the 'Green Transition' megatrend, underpins the positive future price environment. The Hemerdon mine is a unique opportunity for the UK to create its own supply chain in a strategically important mineral.

#### · **Aggregate production boosts cashflow**

Tungsten West has identified further opportunities for by-product cash-flow through the production and sale of aggregates. A new aggregate plant will be fed with ore sorter rejects and with the waste streams from the processing plant. The business plan is to sell to local aggregate consumers, providing them with a stable, long-term and sustainable source of these materials.

#### · **Responsible mining at the heart of strategic decision-making**

The Company has implemented a number of initiatives to ensure a minimal impact on the surrounding environment and local community. These include optimising the plants Low Frequency Noise to ensure minimal environmental impact and a fully cash funded £13.2 million Restoration Bond.

Since taking over the Hemerdon Mine, senior management have kept a regular and open dialogue with the local communities, engaging with stakeholders to establish a transparent relationship. The mine will provide multiple job opportunities, many of which the Company will be seeking to fill from the local population in Plymouth and across Devon.

#### · **Experienced management team**

The Tungsten West management team has a wealth of experience in the minerals and mining sector, particularly in leading junior mining companies through development and into production.

## **Strategy**

The Directors and management team are focussed on the upgrading and restarting of the Hemerdon tungsten and tin mine, to ultimately provide high volumes of these strategic metals to the market to meet global demand. In addition, the Company plans to sell significant volumes of aggregate material produced at the mine to increase cash-flow as the mine ramps up to full production.

### **Max Denning, CEO of Tungsten West, commented:**

*"We are pleased to announce our decision to list Tungsten West on the London Stock Exchange's AIM market, providing the opportunity for UK stakeholders and interested parties to invest in the UK-based Hemerdon mine, the third largest tungsten resource in the world. In addition to being exciting for the UK mining sector to have a project that is in the advanced stages of development, the mine will be producing strategically important materials that are vital for the manufacturing of new technology, including those that will aid the UK in its net-zero goals.*

*"With the proposed £39 million raise announced today, and the £36 million funding package from Orion, we will be fully funded for the development of Hemerdon back into production. We look forward to welcoming new investors into this compelling business and working with all our stakeholders to ensure that the newly reinvigorated Hemerdon mine is a beacon of mining excellence in the UK."*

### **Philip Clegg, Portfolio Manager of Orion Resource Partners, commented:**

*"Orion is delighted to make its substantial investment into Tungsten West, securing the recommencement of mining in the South West of the UK and the creation of new jobs. We look forward to supporting the Tungsten West team as they rebuild Hemerdon, restarting production of a suite of raw materials critical for the technology, decarbonisation and construction sectors, locally and globally."*

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Further information on Tungsten West Limited can be found at [www.tungstenwest.com](http://www.tungstenwest.com)

## **Overview of Tungsten West**

Tungsten West is the 100 per cent owner and operator of the past producing Hemerdon tungsten and tin mine, located near Plymouth in southern Devon, England. The Hemerdon mine is currently the world's third largest tungsten resource, with a JORC (2012) compliant Mineral Resource Estimate of approximately 325Mt at 0.12 per cent. WO<sub>3</sub>. The Company acquired the mine out of a receivership process in 2019 after its most recent operators, Wolf Minerals, stopped production in 2018. While it was operator, Wolf invested over £170 million into the development of the site, the development of significant infrastructure and processing facilities. Hemerdon was producing tungsten and tin materials, under Wolf, between 2015 and 2018, before the Company entered administration and placed the mine into receivership due to a number of issues that have since been identified and rectified by Tungsten West.

The Company is focussed on updating the existing infrastructure and, in the near-term, restarting the Hemerdon mine at a low cost. Following the restart, Hemerdon is expected to produce significant volumes of tungsten and tin, both of which are strategically important materials, particularly in the development of new technology.

## **Board of Directors and Senior Management**

### ***Board of Directors***

On Admission, the Board will consist of three Executive Directors, two Non-Executive Directors and three Independent Non-Executive Directors. Brief biographies of the Directors of the Company are set out below:

#### **Robert Ashley, Independent Non-Executive Chairman**

Robert joined the Company in September 2021 as the Independent Non-Executive Chairman. He currently also acts as an Independent Non-Executive Chairman for Galena Asset Management S.A. and Galena Asset Management Pte. Ltd.

Robert began his career as the Private Secretary to Rt. Hon. Sir William McMahon CH MP, former Prime Minister of Australia. He then moved to a series of roles as a Money Market dealer at Inter Company Securities Pty Ltd and Ord Minnett. Robert joined Rothschild Australia as a Branch Manager in Monday Markets and worked for 15 years before leaving as a Managing Director & Head of Treasury, Member of Management Committee, Member of Executive Committee, Member of Credit Committee, Member of Underwriting and Investment Committee. Robert worked as a consultant for multiple companies, including Western United Mines Limited in Cornwall. Before joining Galena Asset Management, Robert has acted as a Non-Executive Director for East West Resources plc. Robert holds a Diploma in Electronic Engineering from the Royal Melbourne Institute of Technology and the University of NSW.

His focus as Chairman will be ensuring effective oversight of the Company's strategy and key issues by the board of directors as well as maintaining efficient communications with Shareholders.

#### **Mark Thompson, Executive Vice Chairman**

Mark co-founded the Company in 2019 and is an experienced investor, trader, and executive in the natural resources sector with a background managing large portfolios of risk within the alternative assets space, investing in mining companies, providing strategic advice, and holding senior executive positions.

Mark began his career at Deutsche Bank in in Metal Derivatives, futures and options market making team. Mark then moved to NM Rothschild & Sons where he was an Assistant Director and Head of Base Metal Options Trading, before moving to Trafigura Group / Galena Asset Management as Head of proprietary trading of base metals and bullion as well as being a Portfolio manager of GAM Metal Derivatives Fund, managing US\$830 million. In 2008, Mark joined Apollo Management International LLP as a Partner managing approximately US\$120 billion across Private Equity, Capital Market Funds and Hedge Funds. Mark holds a B.A. in Physics from the University of Oxford.

As at the date of this document, Mark holds the position of Executive Chairman. Conditional upon Admission, Mark will become Vice Chairman of the Company operating in an executive role. His focus as Vice Chairman will be coordinating the executive committee and supporting the Chairman to ensure the Company's strategy and key issues by the board of directors.

#### **Maximillian Denning, Chief Executive Officer**

Max co-founded the Company in 2019 and has strong experience of Financial, Operational and Project start-ups as well as international experience in Africa, Southern America, and Europe, mainly in Mining and Finance. As part of his role as Chief Executive Officer of the Company, Max led the purchase of the Hemerdon Mine out of receivership.

Prior to founding the Company, Max started his career at Pan African Minerals Ltd as a Corporate Development Executive, where he assisted in raising an initial US\$40 million in 2012 and a feasibility fund of US\$25 million in 2013. Max then held various roles at the company resulting in being General Manger of Commercial base in Burkina Faso. From 2017 to 2019, Max acted as a Consultant to Brazil Tungsten Holdings Ltd in Brazil and West Africa Lime Company in Mali. Max holds an MSc in Accounting and Financial Management from Birkbeck, University of London as well as a B.A. in Economics & Politics from the University of Leeds.

His focus as Chief Executive Officer will be on continuing the successful growth of the Company through effective management. He will be supported by his executive committee in working closely with company employees, customer, and suppliers as well as Shareholders, investors, and the communities in which the Company operates.

#### **Anthony Widdowson, Chief Financial Officer**

Nigel was appointed to the board of the Company in July 2021 as Chief Financial Officer. He has over 20 years' experience as a CFO within SME's, VC/PE backed and leveraged business across a variety of sectors including natural resources, construction, leisure and technology.

Nigel began his career as an Auditor in PricewaterhouseCoopers, before becoming a Corporate Finance Manager. On leaving PWC he worked as a Finance Analyst and in Strategy and Business Development in British Telecommunications plc and Cable and Wireless Communication plc respectively. Nigel then worked as CFO of Complanet Group Limited where he oversaw the

business from start up through rapid global expansion to eventual sale. He then became CFO of Shoabi Group, a \$0.5 billion turnover Oil and Gas business based in Saudi Arabia. Most recently Nigel acted as Group CFO for Horatio Investments Limited, a family office investment vehicle, and as Group Finance Director for Burrington Estates, a property developer with approx. £60m turnover. Nigel holds a BSc. In Physiology and Pharmacology from Southampton University. He has been a member of the ICAEW since 1995.

His focus as CFO will be overseeing all financial aspects as well as internal auditing to ensure continued good management and profitability of the company.

#### **Francis Johnstone, Non-Executive Director**

Francis joined the Company as a non-executive director in May 2019 as part of his role as an Investment Adviser to Baker Steel Resources Trust Ltd.

Prior to this role, Francis started his career in corporate finance and mergers and acquisitions at Citibank and entered the mining business in 1989 with Cluff Resources plc where he became Group Projects and Operations Manager. Francis was a key member of the team who built Freda Rebecca, the largest gold mine in Zimbabwe, the Ayanfuri Gold Mine in Ghana and negotiated for and discovered the Geita Gold Mine in Tanzania. He joined Ridge Mining plc as Commercial Director and was an integral member of the team that undertook a feasibility study, financed and developed the Blue Ridge Platinum Mine in South Africa. Ridge Mining was acquired by Aquarius Platinum Ltd in July 2009 for £134 million.

Francis will represent Baker Steel Resources Trust Ltd as a significant shareholder and will act as a Non-Independent Non-Executive Director.

#### **Richard Maxey, Non-Executive Director**

Richard joined the Company as a Non-Executive director in December 2020 and informally represents the holdings of Henry Maxey and Eden Rock.

Richard started his career as an Associate Consultant in the Transaction Services Group at PricewaterhouseCoopers Strategy Group, specialising in European commercial due diligence and strategy consulting. Having worked on several corporate and private equity transactions, Richard moved to Earlcrown Ltd, a private equity and property group with a range of portfolio investments, primarily in the consumer goods sector. Richard then worked for a South African family office, Vasari Global Ltd, as a principal, running the specialised private resources fund gaining extensive knowledge of and experience in the natural resources sector investing in public and private mining businesses worldwide. Richard currently works as a consultant investment advisor to an investment advisory firm, Eden Rock Group, that invests its proprietary capital with a focus on venture and early-stage private equity across a range of sectors. Richard holds a B.A. in Economics and Management from the University of Oxford and is a CFA charterholder.

Richard will act as a Non-Independent Non-Executive Director.

#### **Grace Stephens, Independent Non-Executive Director**

Grace joined the Company in September 2021 as a Non-Executive Director and the Chair of the Audit and Risk Management Committee.

Grace qualified at Arthur Andersen and later moved to Deloitte & Touche as a Tax Manager where she worked in corporate tax in a variety of sectors before transferring to the Real Estate, Travel and Tourism department. Grace then became the Group Tax Manager at Royal & Sun Alliance (RSA) where Grace was responsible for managing the tax affairs of the Group's Emerging Markets operations with expertise in international and M&A tax and transfer pricing. She most recently has worked for ten years at Legal & General Group (L&G) where she has been the Chief Taxation Officer since 2015. Grace holds a BA in Economics with Econometrics from the University of Kent at Canterbury and is ACA and CTA qualified with first time passes in each.

Her focus will be as Chair of the Audit and Risk Management Committee which will assist the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

#### **David Cather, Independent Non-Executive Director**

David joined the Company in September 2021 as a Non-Executive Director.

David was formerly CEO (Mining) of Abu Dhabi Capital Group, a private family office based in UAE and immediately prior to that was CEO of Avocet Mining plc, a LSE and Oslo listed gold production company with a 95,000oz per annum operating mine in Burkina Faso and an advanced development project in Guinea. David's previous roles include acting as Chief Operating Officer of European Goldfields and a member of a London based fund management team, and various positions with Anglo American plc. He has participated in numerous acquisitions and IPOs of mining companies on various stock exchanges and has significant expertise in mine development. He is currently Non-Executive Chairman of Metals Exploration PLC, an Independent Director of JSC AK Altynalmas, a Kazakhstan listed emerging mid-tier gold producer and of Galantas Gold Corporation, a dual listed (AIM:TSX.V) Northern Irish underground gold developer.

His focus as Chairman will be ensuring effective oversight of the Company's strategy and key issues by the board of directors as well as maintaining efficient communications with Shareholders.

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Any purchase of shares in the Company following Admission should be made solely on the basis of information contained in the Schedule One Announcement and its Appendix together with other publically-available information. No reliance may be placed for any purpose on the information contained in this announcement.

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**This announcement is directed only at persons whose ordinary activities involve them in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are: (i) if in a member state of the European Economic Area ("EEA"), Qualified Investors as defined in article 2(e) of Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"); (ii) if in the United Kingdom, are Qualified Investors who (i) fall within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) are persons who fall within article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order, (iii) are persons who are certified sophisticated investors falling within article 50 of the Order, or (iv) are other persons to whom it may otherwise be lawfully be communicated (all such persons together being referred to as "Relevant Persons"). Members of the public are not eligible to take part in the Placing.**

This announcement must not be acted on or relied on by persons who are not Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This announcement does not itself constitute an offer for sale or subscription of any securities in the Company.

The Ordinary Shares referred to in this Announcement have not been and will not be registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The securities may not be offered or sold in the United States absent registration under the US Securities Act or an available 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 offer of securities in the United States.

Any subscription for or purchase of Ordinary Shares should be made solely on the basis of the information contained in the final Admission Document to be published by the Company in connection with the Admission. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. However, the Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Admission or any transaction or arrangement referred to in this announcement. This announcement has not been approved by any competent regulatory authority.

Strand Hanson, H&P and/or VSA and any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Admission or otherwise. Accordingly, references in the Admission Document, once published, to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any offer to, or subscription, acquisition, placing or dealing by Strand Hanson, H&P and/or VSA and any of their respective affiliates acting as investors for their own accounts. In addition, Strand Hanson, H&P and/or VSA or their respective affiliates may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of Ordinary Shares. Neither Strand Hanson, H&P nor VSA has any intention to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Strand Hanson, is a member of the LSE, is authorised and regulated by the Financial Conduct Authority in the United Kingdom and is acting as financial and nominated adviser to the Company in relation to Admission. Strand Hanson is acting exclusively for the Company and no one else in connection with the Admission, and Strand Hanson 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 Admission or any other matters referred to in this announcement.

H&P, is a member of the LSE, is authorised and regulated by the Financial Conduct Authority in the United Kingdom and is acting as joint broker to the Company. H&P is acting exclusively for the Company and no one else in connection with the Admission, and H&P 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 Offer or Admission or any other matters referred to in this announcement.

VSA, is a member of the LSE, is authorised and regulated by the Financial Conduct Authority in the United Kingdom and is acting as joint broker to the Company. VSA is acting exclusively for the Company and no one else in connection with the Admission, and VSA 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 Offer or Admission or any other matters referred to in this announcement.

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The anticipated timetable for Admission, including the publication of the Admission Document and/or the date of Admission, may be influenced by a range of circumstances, including market conditions. There is no guarantee that the Admission Document will be published or that Admission will occur and investors should not base their financial decisions on the Company's intentions in relation to the Admission at this stage.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly to the total figure given.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

#### **Information to Distributors in the UK**

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Notwithstanding the UK Target Market Assessment, Distributors should note that: the price of Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Fundraising. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Strand Hanson and the Joint Brokers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares. Each distributor is responsible for undertaking its own UK Target Market Assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

#### **Information for Distributors in the EEA**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (as defined in the MiFID II Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II, or the "EU Target Market Assessment" (as defined in the MiFID II Requirements).

Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Fundraising. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Strand Hanson Limited, and H&P Advisory Limited and VSA Capital Limited (the "**Joint Brokers**") will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own EU Target Market Assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

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