

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please send this Document, together with its accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-Entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form. However, the distribution of this Document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, New Zealand, Japan, the Republic of South Africa or the Republic of Ireland, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation.

The Directors (whose names and functions appear on page 4 of this Document) and the Company (whose registered office appears on page 4 of this Document) accept responsibility, both collectively and individually, for the information contained in this Document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (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.

The total consideration under the Open Offer will be less than €8.0 million (or an equivalent amount) in aggregate and the Open Offer Shares will only be available to qualified investors for the purposes of the Prospectus Regulation Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. The Open Offer does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this Document does not constitute, and is not required to be, a prospectus for the purposes of the Prospectus Regulation Rules made by the Financial Conduct Authority ("FCA") pursuant to sections 73A(1) and (4) of FSMA.

Accordingly, this Document has not been, and will not be, reviewed or approved by the FCA, the London Stock Exchange 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.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Open Offer Shares to be admitted to trading on AIM. Subject to, amongst other things, shareholder approval, it is expected that Admission will become effective and dealings in the Open Offer Shares will commence on AIM on 9 June 2023. The Open Offer Shares will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

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 FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this Document. Prospective investors should read this Document in its entirety.

TUNGSTEN WEST PLC

(incorporated and registered in England and Wales under number 11310159)

Conditional Placing of Convertible Loan Notes

Proposed Open Offer of up to 66,666,666 new Ordinary Shares at a price of 3 pence per share

Notice of General Meeting

Joint Broker



VSA Capital Limited

Joint Broker

HANNAM&PARTNERS

Hannam & Partners

Nominated Adviser

STRAND
HANSON

Strand Hanson

This Document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this Document and which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

The latest time and date for acceptance and payment in full under the Open Offer is 10.00 a.m. on 7 June 2023. The procedure for acceptance and payment is set out in Part III of this Document and, where relevant, in the Application Form.

Notice of a General Meeting of Tungsten West plc, to be held at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR at 10.00 a.m. on 8 June 2023, is set out at the end of this Document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD by not later than 10.00 a.m. on 6 June 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this Document. Proxies submitted via CREST must be received by the issuer's agent (ID 7RA11) by no later than 10.00 a.m. on 6 June 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

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 on 22 May 2023. Applications 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' by AIM. 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.

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.

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy Open Offer Shares and/or the Open Offer Entitlements to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, New Zealand, Japan, the Republic of South Africa or the Republic of Ireland or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Open Offer Shares and/or Open Offer Entitlements may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, New Zealand, Japan, the Republic of South Africa or the Republic of Ireland or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Open Offer Shares, the Open Offer Entitlements has not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, New Zealand, Japan or the Republic of Ireland and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, New Zealand, Japan, the Republic of South Africa or the Republic of Ireland or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, New Zealand, Japan or the Republic of Ireland or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

A copy of this Document will also be available from the Company's website, <https://www.tungstenwest.com/>.

No person has been authorised to make any representations on behalf of the Company concerning the Open Offer which are inconsistent with the statements contained in this Document and any such representations, if made, may not be relied upon as having been authorised. No person should construe the contents of this Document as legal, tax or financial advice and recipients of this Document should consult their own advisers as to the matters described in this Document.

FORWARD LOOKING STATEMENTS

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

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

No incorporation of website information

The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this Document and Shareholders should not rely on them.

DIRECTORS, SECRETARY AND ADVISERS

Directors

David Connal Cather (*Independent Non-Executive Chairman*)
Neil Gawthorpe (*Chief Executive Officer*)
Anthony Nigel Widdowson (*Chief Financial Officer*)
Richard Maxey (*Non-Executive Director*)
Martin Wood (*Senior Independent Non-Executive Director*)

Company Secretary

Ben Harber
Shakespeare Martineau LLP
6th Floor, 60 Gracechurch Street
London EC3V 0HR

Registered Office

Shakespeare Martineau LLP
6th Floor, 60 Gracechurch Street
London EC3V 0HR

Company Website

www.tungstenwest.com

Financial and Nominated Adviser

Strand Hanson Limited
26 Mount Row
London W1K 3SQ

Joint Brokers

VSA Capital Limited
Park House
16-18 Finsbury Circus
London EC2M 7EB

H & P Advisory Limited
3rd Floor,
7-10 Chandos St
London W1G 9DQ

Legal advisers to the Company

Armstrong Teasdale Ltd
38-43 Lincoln's Inn Fields
London WC2A 3PE

Registrars and Receiving Agent

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

Public Relations

BlytheRay
4-5 Castle Street
London EC3V 9DL

CONTENTS

| | <i>Page</i> |
|---|-------------|
| EXPECTED TIMETABLE OF PRINCIPAL EVENTS | 6 |
| FUNDRAISING STATISTICS | 7 |
| DEFINITIONS | 8 |
| PART I LETTER FROM THE CHAIRMAN OF TUNGSTEN WEST PLC | 17 |
| PART II DETAILS OF THE CONDITIONAL PLACING | 24 |
| PART III TERMS AND CONDITIONS OF THE OPEN OFFER | 28 |
| PART IV RISK FACTORS | 47 |
| PART V NOTICE OF GENERAL MEETING | 55 |

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | |
|---|---|
| Announcement of the Conditional Placing | 6 April 2023 |
| Record Date for entitlements under the Open Offer | 6.00 p.m. on 17 May 2023 |
| Announcement of the launch of the Open Offer | 19 May 2023 |
| Posting of this Document, Proxy Form and, to Qualifying Non-Crest Shareholders, the Application Form | 19 May 2023 |
| Ex-entitlement date of the Open Offer | 8.00 a.m. on 19 May 2023 |
| Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders | as soon as practicable after 8.00 a.m. on 22 May 2023 |
| Latest recommended time and date for requesting withdrawal of CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements | 4.30 p.m. on 1 June 2023 |
| Latest time and date for depositing CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements | 3.00 p.m. on 2 June 2023 |
| Latest time and date for splitting of Application Forms under the Open Offer (to satisfy <i>bona fide</i> market claims only) | 3.00 p.m. on 5 June 2023 |
| Latest time and date for receipt of Forms of Proxy and CREST voting instructions | 10.00 a.m. on 6 June 2023 |
| 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) | 10.00 a.m. on 7 June 2023 |
| General Meeting | 10.00 a.m. on 8 June 2023 |
| Results of Open Offer and General Meeting announced | 8 June 2023 |
| Admission and dealings in the Open Offer Shares expected to commence on AIM | 8.00 a.m. on 9 June 2023 |
| Where applicable, expected date for CREST accounts to be credited in respect of the Open Offer Shares | as soon as possible on 9 June 2023 |
| Where applicable, expected date for despatch of definitive share certificates for Open Offer Shares in certificated form | within 14 days of Admission |

Notes:

- (1) *References to times in this Document are to London time, England (unless otherwise stated). The timing of the events in the above timetable and in the rest of this Document is indicative only and may be subject to change.*
- (2) *If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through an RIS.*
- (3) *The timetable above assumes that all the Resolutions in the Notice of General Meeting are duly passed.*
- (4) *In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries or questions relating to this Document, the completion and return of the Application Form, or the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD on 0121 585 1311. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The shareholder helpline is open between 9.00 a.m. to 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.*

FUNDRAISING STATISTICS

| | |
|---|--|
| Closing Price per Existing Ordinary Share**** | 4 pence |
| Issue Price of each Open Offer Share | 3 pence |
| Number of Existing Ordinary Shares at Record Date | 180,551,615 |
| Open Offer basic entitlement | 1 Open Offer Share for every 2.7 Existing Ordinary Shares |
| Maximum number of Open Offer Shares to be issued by the Company pursuant to the Open Offer* | 66,666,666 |
| Maximum number of Ordinary Shares to be issued by the Company pursuant to the Conditional Placing*** | 1,060,363,836 |
| Number of Ordinary Shares in issue following Admission** | 247,218,281 |
| Percentage of the existing issued ordinary share capital of the Company represented by the Open Offer Shares* | 36.9 per cent. |
| Percentage of the existing issued ordinary share capital of the Company represented by the CLN Shares ¹ (with full subscription of the Open Offer Shares)*** | 624.22 per cent. |
| Percentage of the existing issued ordinary share capital of the Company represented by the CLN Shares (with no issue of the Open Offer Shares)*** | 587.29 per cent. |
| Gross proceeds of the Open Offer* | £2.0 million |
| Gross proceeds of the Conditional Placing*** | £8.95 million |
| Estimated expenses of the Conditional Placing and the Open Offer* | £1.25 million |
| Estimated net proceeds of the Conditional Placing*** and of the Open Offer * | £9.7 million |
| Ordinary Share ISIN | GB00BP6QM557 |
| SEDOL code | BP6QM55 |
| Open Offer Basic Entitlements ISIN | GB00BMBXLL99 |
| Open Offer Excess Entitlements ISIN | GB00BMBX3F77 |

Notes:

* Assuming take-up in full of the Open Offer by Qualifying Shareholders or take-up in full under the Placing Option

**Assuming no further issue of Ordinary Shares prior to the issue of the Open Offer Shares and full take up of the Open Offer

***Assuming full drawdown of each tranche of the Convertible Loan Notes pursuant to the Note Purchase Agreement and a conversion price of 1 pence per new Ordinary Share on Conversion

**** Closing Price as at 18 May 2023

¹ For the purposes of the Fundraising Statistics the term CLN Shares means New Ordinary Shares to be issued on Conversion

DEFINITIONS

| | |
|--|--|
| “Act” | the Companies Act 2006 (as amended) |
| “acting in concert” | a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition and/or ownership of voting shares in the Company, to obtain or consolidate control (directly or indirectly) of the Issuer provided that the persons voting in the same or consistent manner at any general meeting of the Company will not be considered to be acting in concert by virtue only of exercising their votes in such manner. |
| “Admission” | admission of the Open Offer Shares, subject to shareholder approval, to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules |
| “Admission Document” | the admission document dated 15 October 2021 published by the Company in connection with its application to admit its Ordinary Shares to trading on AIM |
| “AIM” | the AIM Market operated by the London Stock Exchange |
| “AIM Rules” | the AIM Rules for Companies published by the London Stock Exchange from time to time |
| “Application Form” | the application form accompanying this Document to be used by the Qualifying Non-CREST Shareholders in connection with the Open Offer |
| “Articles” | the articles of association of the Company (as in force from time to time) |
| “Australia” | the Commonwealth of Australia, its states, territories or possessions |
| “Baker Steel” | Baker Steel Resources Trust Limited |
| “Business Day” | a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England and the London Stock Exchange is open for trading |
| “Canada” | Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-divisions thereof |
| “CAPEX” | capital expenditure |
| “certificated” or “certificated form” | an ordinary share recorded on a company’s share register as being held in certificated form (namely, not in CREST) |
| “Change of Control” | (a) any transaction not approved by the Noteholders’ Representative (acting on the instructions of all Note Purchasers), resulting in a party or one or more parties acting in concert to (i) have the power to remove all or the majority of the directors of the Company; (ii) have the power to give directions with respect to the operating and financial policies of the Company; (iii) hold all or substantially all of the assets of the Company; or (iv) hold more than fifty percent. of the voting rights attaching to the Company’s issued share capital; or (b) any merger or similar reorganisation of the Company which is not approved by the Noteholders’ Representative (acting on the instructions of all Note Purchasers) resulting in a party or one or more parties acting in concert to: (i) have the power to remove all or the majority of the directors of the Company; (ii) having the power to give directions with respect to the operating and financial policies of the Company; (iii) holding all or substantially all of the assets of the Company; or (iv) holding more than fifty percent. of the voting rights attaching to the Company’s issued share capital |
| “Closing Price” | the closing middle market quotation of an Ordinary Share as derived from the Thomson Reuters Eikon |
| “Company” or “Tungsten West” | Tungsten West Plc, a public limited company incorporated in England and Wales with registered number 11310159 |

| | |
|---|--|
| “Conditional Placing” | the secured financing of the Company through the proposed issue of the Convertible Loan Notes pursuant to the terms of the Note Purchase Agreement placed by the Joint Brokers |
| “Conversion” | the conversion of any principal amount of the CLNs into Ordinary Shares in accordance with the Note Purchase Agreement |
| “Conversion Conditions” | the passing of the Resolutions |
| “Conversion Notice” | a notice substantially in the form set out in the Note Purchase Agreement, served by a Note Purchaser to the Company to convert all or part of its relevant Convertible Loan Notes (excluding capitalised interest) into Ordinary Shares |
| “Conversion Price” | 3 pence per Ordinary Share or, where applicable, a 50 per cent. discount to the offer price of any equity raise conducted by the Company |
| “Convertible Loan Notes” or “CLNs” | the convertible loan notes in the aggregate principal amount of up to £8.95 million to be issued by the Company pursuant to the Note Purchase Agreement |
| “CREST” | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) |
| “CREST Manual” | the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules (including CREST Rule 8), the CCSS Operations Manual and the CREST Glossary of Terms |
| “CREST member” | a person who has been admitted by Euroclear to CREST as a system-member (as defined in the CREST Manual) |
| “CREST member account ID” | the identification code or number attached to a member account in CREST |
| “CREST Open Offer Entitlements” | the entitlement of a Qualifying CREST Shareholder, pursuant to the Open Offer, to apply to acquire Open Offer Shares pursuant to the Open Offer |
| “CREST participant” | a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations) |
| “CREST participant ID” | shall have the meaning given in the CREST Manual issued by Euroclear |
| “CREST payment” | shall have the meaning given in the CREST Manual issued by Euroclear |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended) |
| “CREST sponsor” | a CREST participant admitted to CREST as a CREST sponsor |
| “CREST sponsored member” | a CREST member admitted to CREST as a sponsored member |
| “De-Listing Event” | if, for whatever reason: (i) the Ordinary Shares cease to be listed or admitted to trading on AIM, or (ii) trading of the Ordinary Shares on AIM is suspended for a period of 3 or more consecutive dealing days subject to certain exceptions |
| “Directors” or “Board” | the directors of the Company whose names appear on page 4 of this Document |
| “Document” or “Circular” | this document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Regulation Rules) or an admission document (under the AIM Rules) |
| “Equity Raise” | any issuance by the Company or any member of any equity interests save for certain exceptions |
| “Enlarged Share Capital” | the entire issued ordinary share capital of the Company immediately following |

| | |
|---|--|
| | Admission as enlarged following the issue of the new Ordinary Shares assuming full subscription of the Open Offer Shares |
| “Environment Agency” | the environment agency, a non-departmental public body in the UK |
| “EU” | the European Union |
| “Euroclear” | Euroclear UK & International Limited, the operator of CREST |
| “Excess Application Facility” | the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer as set out in Part III |
| “Excess CREST Open Offer Entitlements” | in respect of each Qualifying CREST Shareholder, their entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on them taking up their Open Offer Entitlement in full |
| “Excess Open Offer Shares” | Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility in addition to their Open Offer Entitlements |
| “Ex-entitlement Date” | the date on which the Existing Ordinary Shares are marked ‘ex’ for entitlement under the Open Offer, being 19 May 2023 |
| “Existing Ordinary Share” | each Ordinary Share in issue; and taken together the “Existing Ordinary Shares” |
| “Existing Shareholders” | the holders of the Existing Ordinary Shares at the date of this Document |
| “FCA” | the Financial Conduct Authority of the United Kingdom |
| “Final Termination Date” | date falling three hundred and sixty-four (364) days after the issue of the Tranche A Notes. |
| “First Ranking Debenture” | a debenture to be entered between the Company, Aggregates West Limited, Drakelands Restoration Limited, Tungsten West Services Limited and the Security Agent, pursuant to which a debenture will be granted over certain assets of the Group |
| “Form of Proxy” | the form of proxy for use in connection with the General Meeting which accompanies this Document |
| “Founder Options” | the options granted to the founders as outlined in the Admission Document |
| “Free Float Event” | the free float of the issued share capital of the Company is equal or less than 20 per cent. in any period of 20 consecutive Business Days |
| “FSMA” | the Financial Services and Markets Act 2000 (as amended) |
| “Fundraising” | the Conditional Placing and the Open Offer |
| “General Meeting” | the general meeting of the Company to be held at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR at 10.00 a.m. on 8 June 2023, notice of which is set out at the end of this Document |
| “Group” | the Company and its subsidiaries from time to time |
| “Guarantors” | Aggregates West Limited and together with Tungsten West Services Limited and Drakelands Restoration Limited |
| “Hargreaves UKS” | Hargreaves (UK) Services Limited, incorporated and registered in England and Wales with company number 03735251 |
| “H & P” | H & P Advisory Limited, incorporated and registered in England and Wales with company number 11120795 |

| | |
|--|--|
| “ISIN” | International Securities Identification Number |
| “Issue Price” | 3 pence per Open Offer Share |
| “Japan” | Japan, its cities, prefectures, territories and possessions |
| “Joint Brokers” | H & P and VSA Capital |
| “Joint Brokers Warrants” | warrants to subscribe for 5,475,000 new Ordinary Shares with an exercise price of 3 pence per share to be granted to each of the Joint Brokers |
| “Lansdowne” | Lansdowne Partners (UK) LLP, acting for itself and for and on behalf of Lansdowne Developed Markets Master Fund Limited |
| “London Stock Exchange” | London Stock Exchange PLC |
| “Member Account ID” | the identification code or number attached to any member account in CREST |
| “Mining Services Contract” | Drakelands Restoration entered into the mining services contract with Hargreaves UKS on 29 November 2019 pursuant to which Hargreaves UKS agreed to provide certain mining services at the Project |
| “Money Laundering Regulations” | the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended), the money laundering provisions of the Criminal Justice Act 1993, the Proceeds of Crime Act 2002 and the Criminal Finances Act 2017 |
| “Note Purchase Agreement” | the note purchase agreement dated 19 May 2023 entered into, <i>inter alia</i> , between the Company and the Note Purchasers, pursuant to which the Note Purchasers agree to purchase the Convertible Loan Notes on the terms and conditions set out therein |
| “Note Purchasers” | Lansdowne, Baker Steel and certain other parties to the Note Purchase Agreement |
| “Noteholders” | the holders of the Convertible Loan Notes for the time being |
| “Noteholders Representative” | Kroll Agency Services Limited acting as representative of the Noteholders |
| “Notice of General Meeting” or “Notice” | the notice convening the General Meeting which is set out at the end of this Document |
| “Open Offer” | the conditional invitation by the Company made to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the terms and conditions set out in Part III of this Document and in the Application Form |
| “Open Offer Entitlement” | the entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply to acquire Open Offer Shares pursuant to, and subject to the terms and conditions of, the Open Offer |
| “Open Offer Shares” | the 66,666,666 new Ordinary Shares which Qualifying Shareholders will be invited to subscribe for pursuant to the Open Offer |
| “OPEX” | operating expenditure |
| “Ordinary Shares” | ordinary shares of £0.01 each in the capital of the Company |
| “Orion” | Orion Resource Partners (UK) LLP or a fund managed by Orion Resource Partners (UK) LLP or a designated affiliate |
| “Orion Senior Loan Agreement” | a senior loan agreement entered into by the Company as guarantor on 10 October 2021 with Orion pursuant to which Orion agreed to provide to the project company, being as subsidiary of the Company, the USD28.0 million senior secured term facilities subject to the terms and conditions of the agreement |

| | |
|--|--|
| “Overseas Shareholders” | a Shareholder on the Record Date with a registered address, or who is a citizen or resident of, or incorporated in jurisdictions outside the United Kingdom |
| “PIK” | an amount calculated at the rate of 20 per cent. per annum on the principal amount outstanding under the relevant tranche of the CLN, compounded every six months and rounded to the end of the relevant six month period |
| “Placing Option” | in the event that the Open Offer is not fully subscribed, the Directors and the Joint Brokers reserve the right use reasonable endeavours to place the balance of the Open Offer Shares with interested parties, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Open Offer |
| “Project” or “Hemerdon” | the Hemerdon tungsten and tin mine located near Plymouth in southern Devon, England |
| “Prospectus Regulation Rules” | the Prospectus Regulation Rules Instrument 2019 published by the FCA (FCA 2019/80), implementing the EU Prospectus Regulation 2017/1129 |
| “Qualifying CREST Shareholders” | Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form |
| “Qualifying Non-CREST Shareholders” | Qualifying Shareholders holding Existing Ordinary Shares in certificated form |
| “Qualifying Shareholders” | holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in any Restricted Jurisdiction) |
| “Receiving Agent” | Neville Registrars Limited, a private limited company incorporated in England & Wales under registered number 04770411 and having its registered office at, Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD |
| “Record Date” | 6.00 p.m. on 17 May 2023 in respect of the entitlements of Qualifying Shareholders under the Open Offer |
| “Redemption Premium” | a sum equal to two times the principal amount of the relevant tranche of the CLNs (excluding any PIK) which is subject to redemption in accordance with the Note Purchase Agreement |
| “Resolutions” | the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting |
| “Restricted Jurisdiction” | the United States, Australia, Canada, Japan, New Zealand, the Republic of South Africa, and any other jurisdiction in which it would be unlawful to offer the Open Offer Shares or where the Open Offer would be required to be approved by a regulatory body |
| “Registrar” | Neville Registrars Limited of Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD |
| “Review” | the review of the funding and strategic options available to the Company currently being undertaken by the Company’s CEO, Neil Gawthorpe |
| “RIS” | a regulatory information service approved by AIM for the distribution of announcements to the public |
| “Securities Act” | the US Securities Act of 1933, as amended |
| “Security Agent” | Kroll Trustee Services Limited acting as security agent to the Noteholders |
| “Shareholders” | the registered holders of Ordinary Shares |
| “Strand Hanson” | Strand Hanson Limited, incorporated and registered in England and Wales with company number 02780163, acting as the Company’s nominated adviser |

| | |
|--|--|
| “Super Majority Holders” | Note Purchasers who hold 75 per cent. of the outstanding aggregate principal amount under the CLN at the time of the calculation |
| “Tranche A Notes” | the convertible loan notes for an initial principal amount of £3,975,000 to be issued at completion and following the satisfaction of the conditions precedent in the Note Purchase Agreement |
| “Tranche B Notes” | the convertible loan notes for an additional principal amount of £2,975,000 to be issued after the issue of the Tranche A Notes and following the satisfaction of certain conditions precedent in the Note Purchase Agreement with the consent of the majority Noteholders |
| “Tranche C Notes” | the convertible loan notes for the issue of up to a further aggregate principal amount of £2.0 million pursuant to the terms of the Note Purchase Agreement following the issue of Tranche A Notes and Tranche B Notes |
| “Transaction Security” | the security created or expressed to be created in favour of the Security Agent pursuant to the Note Purchase Agreement |
| “UK” or “United Kingdom” | the United Kingdom of Great Britain and Northern Ireland |
| “uncertificated form” or “uncertificated” | an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST |
| “United States”, “United States of America” or “US” | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction |
| “USE” | unmatched stock event |
| “VSA Capital” | VSA Capital Limited, incorporated and registered in England and Wales with company number 02405923 |
| “£”, “pounds sterling”, “pence” or “p” | are references to the lawful currency of the UK |

GLOSSARY

| | |
|-------------------------------------|---|
| “deposit” | a naturally occurring accumulation of minerals that may be considered economically valuable |
| “DMS” | dense medium separation |
| “EPCM” | engineering, procurement and construction management |
| “ferberite” | iron-rich end member of the manganese-iron wolframite solid solution series |
| “granite” | a medium to coarse grained plutonic igneous rock usually light coloured and consisting largely of quartz and feldspar |
| “Indicated Mineral Resource” | part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and resting and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applied to a Measured Mineral Resource and may only be converted to a probable mineral reserve |
| “IRR” | internal rate of return |
| “JORC Code (2012)” | Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition. Effective 20 December 2012 and mandatory from 1 December 2012. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC) |
| “killas” | a Cornish term for metamorphic rock unites that have been altered by the heat supplied from the emplacement of granite. At Hemerdon, this specifically refers to Devonian metasedimentary, metavolcanic and mafic rocks surrounding the Hemerdon granite |
| “mafics” | magnesium and iron-rich igneous rock unit typically containing minerals such as olivine, pyroxene, amphibole, and biotite |
| “metasediments” | metamorphic rock comprising a former sedimentary unit that has been subjected to high temperatures and pressures resulting in recrystallization |
| “metavolcanics” | metamorphic rock comprising former rock unit was formed by volcanic activity such as lava or tephra, that has been subjected to high temperatures and pressures resulting in recrystallization |
| “Measured Mineral Resource” | part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with confidence sufficient to allow the application of mining, processing, metallurgical, infrastructure, economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into inferred, indicated, and measured categories |
| “Mineral Resource” | an estimate of the ore tonnage and grade of a geological deposit, from the |

| | |
|-------------------------------|---|
| Estimate | developed block model. The estimate will comprise of Inferred, Indicated and Measured Mineral Resource |
| “NPV” | net present value |
| “Ore Reserves” | the economically mineable part of a Measured Mineral Resource and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which might occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies, demonstrate that, at the time of reporting, extraction could reasonable by justified |
| “Probable Ore Reserve” | is the part of Measured Mineral Resources that can be mined in and economically viable fashion. It includes diluting materials and allowances for losses which may occur when the material mined. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of a sufficient quality to serve as a basis for decision on the development of deposit |
| “Proved Ore Reserve” | is the part of Measured Mineral Resources that can be mined in an economically viable fashion. It includes diluting materials and allowances for losses which occur when the material is mined |
| “quartz” | a very common mineral in sedimentary, magmatic, metamorphic and hydrothermal exploitable |
| “wolframite” | an iron-manganese tungstate mineral that is the intermediate between ferberite and hübnerite |

PART I

LETTER FROM THE CHAIRMAN OF TUNGSTEN WEST PLC

(incorporated and registered in England and Wales under number 11310159)

Directors:

David Connal Cather, *Independent Non-Executive Chairman*
Neil Gawthorpe, *Chief Executive Officer*
Anthony Nigel Widdowson, *Chief Financial Officer*
Richard Maxey, *Non-Executive Director*
Martin Wood, *Senior Independent Non-Executive Director*

Registered Office:

Shakespeare Martineau LLP
6th Floor,
60 Gracechurch Street,
London, EC3V 0HR

19 May 2023

To Shareholders and, for information purposes only, to holders of warrants and options to subscribe for Ordinary Shares

Dear Shareholder,

Conditional Placing of Convertible Loan Notes

Proposed Open Offer of up to 66,666,666 New Ordinary Shares at 3 pence per share and

Notice of General Meeting

1. Introduction

On 6 April 2023, the Company announced that it had reached agreement with investors to raise £6.95 million (before expenses) via an oversubscribed placing of Convertible Loan Notes conditional upon, amongst other matters, completion of definitive documentation in respect of such notes. As announced on 19 May 2023, the Company has entered into the Note Purchase Agreement with Lansdowne and other note purchasers to secure principal amount of £6.95 million in Convertible Loan Notes. The Note Purchase Agreement also provides for up to an additional £2.0 million principal amount of the Convertible Loan Notes to be made available to be purchased by other third party purchasers and/or existing Note Purchasers.

In addition, the Board would like to progress with the Open Offer as announced on 3 April 2023. The Board recognises and is grateful for the support that it has received from Shareholders and is also offering all Qualifying Shareholders the opportunity to participate in an Open Offer at a price of 3 pence per Ordinary Share. The Open Offer will raise up to approximately £2.0 million assuming the Open Offer is fully subscribed.

The total amount that the Company could raise under the Fundraising is £10.95 million (before expenses), assuming that the Open Offer is fully subscribed or the Placing Option is taken-up in full. The Conditional Placing, which has been arranged by the Joint Brokers, has not been underwritten.

The Board does not have sufficient existing shareholder authorities to issue the Open Offer Shares nor issue new Ordinary Shares pursuant to any conversion of the Convertible Loan Notes. Accordingly, the Company is convening a General Meeting to seek shareholder authorities for the proposed issue of the Open Offer Shares and new Ordinary Shares pursuant to any future conversions of the Convertible Loan Notes. The Resolutions are contained in the Notice of General Meeting at the end of this Document. Subject to the passing of the Resolutions, Admission of the Open Offer Shares is expected to occur no later than 8.00 a.m. on 9 June 2023 or such later time and/or dates as the Company and the Joint Brokers may agree (being in any event no later than 30 June 2023).

2. Background to and reasons for the Conditional Placing

As previously announced by the Company on 21 April 2022, the Company made the decision to pause the Project and re-optimize to reduce both initial CAPEX and ongoing OPEX, whilst maintaining forecast production rates. The results of an updated feasibility study were announced on 16 January 2023.

With an updated development plan, discussions have been ongoing with a number of mining specialist lenders which have provided the Company with updated debt term sheets, subject to due diligence and final documentation. Due to the increased risk surrounding the recent volatile energy prices, increased interest rates and a more conservative lending approach, both the Board and lenders have concluded that having less debt than previously envisaged is appropriate. This has led to a requirement for further equity capital to fund both the initial Project and the Phase 2 upgrade, scheduled after 24 months of production. As such, the Company now envisages funding the Project in the future through a debt facility of approximately £25.0 million and an equity fundraising of approximately £35-40 million to bring it into production. This is expected to fund both Phase 1 and 2 CAPEX, working capital and contingencies.

Since April 2022, the Company has been working on the basis that the funding, permitting and construction could run in parallel, and it has now become apparent following lender feedback that this is not the case due to design changes potentially required to achieve permitting for the mineral processing facility. As such, it is necessary to prioritise the process of obtaining all necessary permits required for funding.

As part of the Review, the Company will also actively engage with financial and strategic partners which are expected to be able to bring in additional funding and expertise to assist the Company fund and build the Project. These discussions are already underway and the proceeds from the Fundraising will allow this process to continue and include other interested parties.

At the beginning of April 2023, the Company had available cash reserves of £3.5 million. The Board believes the net proceeds from the Fundraising should fund the business for at least six months from the date of this Document. The Board is confident this will allow sufficient time to conclude the permitting process and complete the full Project funding.

The funds raised from the Fundraising will not be sufficient to finance the Company through to cash generation. The intention of the Fundraising is to fund the business through the planning and permitting process and completion of the required Project funding.

3. Project Update and Outlook

New Board Leadership

As announced on 13 March 2023, Neil Gawthorpe was appointed as Chief Executive Officer. Mr Gawthorpe joined the senior executive team at a crucial time and his initial focus will be to lead the Review to ensure the delivery of the Project.

The Board is well advanced in the process of identifying additional suitable industry experienced non-executive Directors to enhance the Board's capabilities going forward and align the Board with the Company's strategic requirements as it moves to fund Hemerdon into production.

Project and Permitting Update

The Board believes that the information in the Company's updated feasibility study, announced on 16 January 2023, positions the Company to become the largest tungsten producer in the western world. The Project has a post-tax NPV (5 per cent.) of £297.0 million (base case) with an IRR of 25 per cent. and an upside case post-tax NPV(5 per cent.) of £415.0 million with an IRR of 32 per cent. £20.0 million of CAPEX has already been spent by the Company (in addition to approximately £170.0 million by previous project owners) and there is remaining Project CAPEX, including EPCM fees, of £27.0 million as of 31 March 2023. It is currently expected that following two years of production at a target ore throughput of 2.6 million tonnes per annum, a further £10.0 million of CAPEX will be required to upgrade the secondary crushing, ore sorting and DMS circuit to increase capacity to 3.5 million tonnes per annum.

The Company has made significant progress on bulk earthworks and civil engineering to prepare the Project for the final construction stages when full Project funding has been secured. In addition to this enabling work, the Company has also received deliveries of screens, steel rebar and components for the conveyor systems and, as previously advised, has procured and made significant downpayments on all long-lead items of equipment.

Pending completion of the full Project funding package, the Company has taken steps to reduce project CAPEX and ongoing OPEX to minimise cash burn until funds have been secured. In the meantime, the core Project team will focus on its work with the Environment Agency to secure the permit required for operating the mineral processing facility. The Company will also continue to work closely with the Devon County Council to secure and maintain the planning permissions required to commence operations.

4. Open Offer

The Board intends to offer all qualifying shareholders the opportunity to participate in the Open Offer. The Open Offer will raise up to £2.0 million (assuming full take up of the Open Offer) at an issue price of 3 pence per new Ordinary Share. Pursuant to the Open Offer, up to 66,666,666 new Ordinary Shares will be offered to existing shareholders at the Issue Price on the basis of:

1 Open Offer Share for every 2.7 Ordinary Shares held

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

In order to maximise the Ordinary Shares available to Shareholders under the Open Offer, each of the Note Purchasers has provided an irrevocable undertaking not to take up their respective Open Offer Entitlements (to the extent applicable). Accordingly, the Note Purchasers' Open Offer Entitlements will be added to the Excess Application Facility. Applications under the Excess Application Facility for any Excess Open Offer Shares beyond a Qualifying Shareholder's Open Offer Entitlement shall be determined by the Directors in their absolute discretion and no assurance can be given that these applications will be met in full, in part or at all. In the event of oversubscription for Excess Open Offer Shares under the Excess Application Facility the Directors intend to limit applications by Qualifying Shareholders *pro rata* to their aggregate holdings of Existing Ordinary Shares.

The participation of a Qualifying Shareholder for its Open Offer Entitlement and any Excess Open Offer Shares under the Excess Application Facility does not guarantee that its percentage shareholding will not be diluted from the position prior to the Open Offer as a result of the Open Offer.

The Open Offer will not be underwritten, and any demand not taken up by Qualifying Shareholders may be offered in whole or in part to other interested investors. Any interested party should contact the Joint Brokers.

The proposed Issue Price represents a discount of 72.1 per cent. to the closing middle market price of 10.75 pence per Ordinary Share on 31 March 2023, being the last practicable date prior to the announcement of the Fundraising, and a discount of 77.5 per cent. to the volume weighted average price during the 90 trading days prior to 31 March 2023 of 13.34 pence per Ordinary Share. Assuming the Open Offer Shares is subscribed for in full, the Open Offer Shares issued would represent approximately 27.0 per cent. of the Company's enlarged issued ordinary share capital following Admission on a standalone basis without taking account of any Ordinary Shares issued upon conversion under the CLN.

5. Convertible Loan Notes

On 19 May 2023, the Company entered into the Note Purchase Agreement pursuant to which the Note Purchasers agreed to the conditional purchase of the CLNs up to the principal amount of £6.95 million as follows:

- (a) an initial tranche of £3,975,000 to be issued at completion and following the satisfaction of the conditions precedent in the Note Purchase Agreement ("**Tranche A Notes**"). Such amount comprises a maximum commitment of up to £2.0 million from funds managed by Lansdowne and up to £1,975,000 from other note purchasers; and

- (b) an additional tranche (“**Tranche B Notes**”) of £2,975,000 (comprising a maximum commitment of £1.0 million from funds managed by Lansdowne and up to £1,975,000 from the other note purchasers) following the satisfaction of certain conditions precedent with the consent of the majority holders of the CLNs (such consent not to be unreasonably withheld or delayed).

Separately, the Note Purchase Agreement provides the Company may offer a further tranche of the principal amount of £2.0 million of the CLNs (“**Tranche C Notes**”) to a third party procured by Lansdowne, failing which the Tranche C Notes may be offered to the existing Note Purchasers *pro rata* to their holdings of CLNs at the time of calculation, in each case subject to the consent of the Super Majority Holders of the CLNs. Should such parties not subscribe for the Tranche C Notes then the Company, may, in the alternative, offer the Tranche C Notes to any third party it may procure by itself or through the Joint Brokers.

The CLNs will accrue interest with an effective rate of 20 per cent. per annum compounding every six months with such interest rounded to the end of the relevant six-month period. All accrued interest will be payable on Conversion or the Final Termination Date.

The maturity date of the CLNs is 364 days from the date of the issue of Tranche A Notes.

The Noteholders may convert their CLNs into new Ordinary Shares:

(i) upon an Equity Raise, at the lesser of 3 pence per share or, where applicable, a 50 per cent. discount to the offer price of an Equity Raise; or

(ii) at 3 pence per share upon the occurrence of (i) a Change of Control, or (ii) the sale of all or substantially all of the assets of the Group in one or a series of transactions.

On the Final Termination Date, the CLNs (including any PIK to be paid on such notes) will convert into new Ordinary Shares at the lesser of 3 pence per share or, where applicable, a 50 per cent. discount to the offer price of an Equity Raise.

The conversion of CLNs held by any Note Purchaser into new Ordinary Shares shall be subject at all times to a cap of 29.9 per cent. (including existing shareholders) of the Company’s issued share capital.

Upon the occurrence of (i) a Change of Control, or (ii) the sale of all or substantially all of the assets of the Group, each Note Purchaser shall be entitled to require the repayment, redemption or repurchase of all or part of the outstanding CLN held by them.

A summary of the key terms of the Note Purchase Agreement is set out in Part II of this Document.

Security

The CLNs will be secured on a first priority basis and guaranteed and secured by certain members of the Group. The security consists of, amongst others, first ranking fixed and floating security over certain assets of the Group.

6. Use of Proceeds

The gross proceeds available to be drawn down by the Company pursuant to terms of the Note Purchase Agreement will be up to £8.95 million before expenses assuming the Tranche C Notes are purchased. If only Tranche A Notes and Tranche B Notes are drawn down then the gross proceeds available to be drawn by the Company will be up to £6.95 million before expenses. The maximum gross proceeds receivable by the Company pursuant to the Open Offer (assuming subscription in full of the Open Offer by Qualifying Shareholders) will be approximately £2.0 million before expenses.

The Company intends to use the proceeds to contribute to meeting certain near term contractual liabilities and annual expenditure arising in the period to October 2023 as well as continue to fund the Group’s activities relating to planning and permitting on which both funding and licences to operate depend. The proceeds and existing cash are intended to be deployed as set out in the table below:

| | |
|-------------------------------|-------------|
| | £m |
| Capex | 3.9 |
| Noise reduction trial | 0.4 |
| | |
| Operating costs | 4.7 |
| Deferred consideration | 1.0 |
| Total use of funds | 10.0 |

7. Related Party Transaction

Baker Steel is a substantial shareholder of the Company (as defined in the AIM Rules) and it has conditionally agreed to purchase an aggregate amount of £1.2 million of the CLNs pursuant to the terms of the Note Purchase Agreement on the same terms as the other Note Purchasers. Baker Steel's participation comprises the principal amount of £600,000 for the Tranche A Notes and the principal amount of £600,000 for the Tranche B Notes. Accordingly, their participation in the Conditional Placing is a related party transaction pursuant to rule 13 of the AIM Rules.

The Directors consider, having consulted with the Company's nominated adviser, Strand Hanson, that the terms of subscription for Convertible Loan Notes by Baker Steel are fair and reasonable in so far as the Shareholders are concerned.

8. Settlement and dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Assuming, the passing of the Resolutions, Admission of Open Offer Shares is expected to occur no later than 8.00 a.m. on 9 June 2023.

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

9. General Meeting

The Notice of the General Meeting is set out at Part V of this Document. The General Meeting will be held at 10.00 a.m. on 8 June 2023 at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London EC3V 0HR.

The General Meeting will comprise only the formal votes on each resolution as set out in the Notice, without any business updates or Q&As.

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot new Ordinary Shares as follows

- (a) the Open Offer Shares;
- (b) the aggregate of 1,060,363,836 new Ordinary Shares which represent the maximum number of new Ordinary Shares that the Directors may be required to allot and issue pursuant to any conversion of the CLNs (including Tranche A Notes, Tranche B Notes and Tranche C Notes) together with any PIK to be paid on such notes. As the conversion price is variable, the Company has used the lowest price at which new Ordinary Shares may be issued lawfully, namely, the nominal value of £0.01 per share; and
- (c) the aggregate nominal amount of £350,000 relating to the Joint Broker Warrants and the exercise of the "*in the money*" Founder Options. The Board has assumed that no holder of options and/or warrants will exercise the same if the exercise price is higher than the share price of Ordinary Shares.

Resolution 2, which will be proposed as a special resolution, disapplies statutory pre-emption rights in relation to the issue of new Ordinary Shares as described in the above paragraph relating to Resolution 1 and a further authority to allot equity securities for cash on a *non pre-emptive* basis up to an aggregate

nominal amount of £350,000 relating to the Joint Broker Warrants as well as the “*in the money*” Founder Options.

10. Actions to be taken

In respect of the General Meeting

A Form of Proxy for use at the General Meeting accompanies this Document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company’s registrars, Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD on 0121 585 1311 as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 6 June 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this Document. Proxies submitted via CREST must be received by the issuer’s agent (ID 7RA11) by no later than 10.00 a.m. on 6 June 2023 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) Order 1999.

In respect of the Open Offer

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares, or the Excess Open Offer Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3 of Part III of this Document and on the accompanying Application Form and return it Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD on 0121 585 1311, so as to arrive no later than 10.00 a.m. on 7 June 2023.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3 of Part III of this Document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part III of this Document by no later than 10.00 a.m. on 7 June 2023.

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.

11. Risk Factors

The attention of Shareholders is drawn to the risk factors set out in Part IV.

12. Recommendation

The Directors consider the Fundraising to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend unanimously Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting. The Directors, who hold Existing Ordinary Shares, have irrevocably undertaken to vote in respect of their beneficial holdings amounting, in aggregate, to 210,000 Existing Ordinary Shares*, representing approximately 0.12 per cent. of the existing issued Ordinary Share capital of the Company **If Shareholders do not approve the Resolutions, the Company would not receive the net proceeds from the Fundraising and, in such circumstances, there are no assurances that the Company will be able to meet its near-term contractual liabilities as well as continuing to fund the Group’s activities relating to planning and permitting on which both funding and licences to operate depend. The Company requires a gross amount of £9.0 million of funding (excluding fees)**

and it is the unanimous opinion of the Board that if the Fundraising is not completed, and without any alternative sources of funding being immediately available, the Company is highly likely to become insolvent and insolvency proceedings will be commenced, with the result that Shareholders would be highly unlikely to receive any return on a winding up of the Company.

Yours faithfully

**David Cather
Independent Non-Executive Chairman
For and on behalf of Tungsten West Plc**

PART II
DETAILS OF THE CONDITIONAL PLACING
THE NOTE PURCHASE AGREEMENT

1. Background

1.1. The Company is party to the Note Purchase Agreement between the Guarantors, the Note Purchasers, the Noteholders Representative and the Security Agent, dated 19 May 2023, pursuant to which the Note Purchasers agreed to the conditional purchase of up to the £6.95 million following principal amounts of Convertible Loan Notes:

1.1.1. an initial £3,975,000 aggregate principal to be issued at completion and following the satisfaction of the conditions precedent in the Note Purchase Agreement, which amount comprises a maximum commitment of up to £2 million from funds managed by Lansdowne and up to £1,975,000 from other investors; and

1.1.2. an additional tranche of £2,975,000 aggregate principal (comprising a maximum commitment of £1 million from funds managed by Lansdowne and up to £1,975,000 from the other Note Purchasers to be issued after completion and following the satisfaction of the conditions precedent with the consent of the majority holders of the CLNs (effectively comprising Lansdowne and such consent not be unreasonably withheld or delayed) and which are expected to be used following material progress in relation to permitting, funding and governance in relation to the Company and the Project;

Separately, the Note Purchase Agreement provides the Company may offer a further tranche of the principal amount of £2.0 million of the CLNs ("**Tranche C Notes**") to a third party procured by Lansdowne, failing which the Tranche C Notes may be offered to the existing Note Purchasers *pro rata* to their holdings of CLNs at the time of calculation, in each case subject to the consent of the Super Majority Holders of the CLNs Should such parties not subscribe for the Tranche C Notes then the Company, may, in the alternative, offer the Tranche C Notes to any third party it may procure by itself or through the Joint Brokers.

1.2. The CLNs will accrue interest at an effective rate of 20 per cent. per annum compounding every six months with such interest rounded to the end of the relevant six month period on the outstanding principal amount. Accrued interest will be payable on the Final Termination Date or converted on a Conversion, if applicable.

1.3. The maturity date of the CLNs will be 364 days from the date of the issue of the Tranche A Notes.

1.4. On 19 May 2023, the Company entered into a fee letter with the Noteholders Representative and the Security Agent in respect of the payment of agency fees to the Noteholders Representative and the Security Agent. Pursuant to the fee letter, the Company has agreed to pay a £1,500 acceptance fee as well as an additional annual agency fee to the Noteholders Representative of up to £17,000 and to the Security Agent of up to £11,500.

2. Conversion or Exchange

2.1. Any Note Purchaser, may without further condition at any time prior to 10 Business Days before the Final Termination Date instruct the Noteholders Representative to deliver an exchange notice to the Company to exchange in full or in part the CLNs held by such Note Purchaser (including any PIK to be paid on such CLNs) for a replacement instrument on terms mutually agreed by the Company and Lansdowne.

2.2. To the extent not already converted or redeemed, at the Final Termination Date, the outstanding principal amount under the CLNs (including any PIK) will convert automatically into new Ordinary Shares at the

relevant Conversion Price, namely the lesser of 50 per cent. discount to the offer price of an Equity Raise and 3 pence per share.

- 2.3. If the Company (or any of its subsidiaries) undertakes any Equity Raise or upon the occurrence of (a) a Change of Control, or (b) the sale of all or substantially all of the assets of the Group, then any Note Purchaser can elect to instruct the Noteholders Representative to convert the outstanding principal under their Notes (including any PIK) in full or in part into: (i) new Ordinary Shares at the relevant Conversion Price, namely the lesser of 50 per cent. discount to the offer price of an Equity Raise and 3 pence per share; with the new ordinary shares to be admitted to trading on AIM no later than five (5) business days from the date of Conversion; or (ii) exchange in full or in part the CLNs held by such Note Purchaser (including any PIK to be paid on such CLNs) for a replacement instrument on terms mutually agreed by the Company and Lansdowne.
- 2.4. The conversion of CLNs held by any Note Purchaser into new Ordinary Shares of the Company shall be subject at all times to a cap of 29.9 per cent. (including existing shareholders) of the Company's issued share capital.

3. Redemption/Prepayment

- 3.1. Upon the occurrence of (i) a Change of Control, or (ii) the sale of all or substantially all of the assets of the Group, each Note Purchaser shall be entitled to require the repayment, redemption or repurchase of all or part of the outstanding CLNs held by them at two times the par value of its CLNs (excluding any PIK), together with any other amounts accrued or owing to them under any finance documents and all other such amounts owing or accrued which shall become immediately payable.
- 3.2. Upon the occurrence of a (i) De-Listing Event or (ii) a Free Float Event, each Note Purchaser shall be entitled to: (a) require the repayment, redemption or repurchase of all or part of the outstanding CLNs held by it at the Redemption Premium together with and any other amounts accrued or owing to it under any finance documents and all other such amounts owing or accrued shall become immediately payable; or (b) to deliver a Conversion Notice to the Company to convert in full or in part the Notes held by such Note Purchaser (including any PIK) into fully paid Ordinary Shares at the relevant Conversion Price.

4. Security

- 4.1. Pursuant to the terms of the Note Purchase Agreement, the Company and its subsidiaries incorporated in England and Wales have agreed:
 - 4.1.1. to enter into the First Ranking Debenture which contains a fixed and floating charge over certain of the Company's assets. In due course, the anticipation is that the Note Purchasers and the Company shall agree the form of certain additional security to be granted in favour of the Note Purchasers, prior to the issue of the Tranche B Notes;
 - 4.1.2. to the appointment of the Security Agent on the terms outlined in the Note Purchase Agreement and who will hold the Security in its name as trustee and for the benefit of the Note Purchasers. In addition, the Note Purchasers will appoint the Noteholders' Representative as their representative in their dealings with the Company.
- 4.2. The Note Purchase Agreement contains customary rights, responsibilities and duties of the Security Agent in relation to the Transaction Security, including (among others) the application of proceeds in the event any amounts are recovered by the Security Agent in the connection with the realisation, enforcement of presentation of any or all of the Transaction Security. The Company has also agreed to provide customary indemnities in favour of the Security Agent and Noteholders' Representative in respect of its appointment in such capacities.

5. Covenants to the Company

- 5.1. The Note Purchase Agreement contains a series of covenants which restricts the Company from undertaking certain matters, including, but not limited to, : (i) acquiring or disposing of companies or enter into any joint venture agreements; (ii) significantly deviating from budgeted capital and research and development expenditures; (iii) issue any shares or grants to subscribe for or to convert any security into shares; (iv) incur any other incur any other indebtedness not subordinated to the CLNs (subject to limited exceptions in each case); (v) create or permit to subsist any mortgage, charge, pledge or lien or other form of encumbrance or security interest upon any of its assets; and (vi) make any loans or provide any guarantees, in each case subject to limited exceptions in each case.
- 5.2. Until the CLNs have been converted or redeemed in full, the Company has also given certain additional undertakings including, but not limited to, that: (A) the Company (or any subsidiary) shall not pay any executive bonus to any director of the Company or any subsidiary (other than with consent of a Super Majority Holders); and (B) the Company shall not (other than with consent of a Super Majority Holders) make any non-payroll payments above a de minimis threshold other than agreed redundancies;

6. Representations and Warranties

The Note Purchase Agreement contains customary representations and warranties in relation to the Group including (among others) insolvency and events of defaults as well as other material representations and warranties regarding: (A) security and financial indebtedness; and (B) title to and ownership of assets.

7. Undertakings

- 7.1. The Note Purchase Agreement contains certain information and general undertakings given by the Company and the Guarantors. The information undertakings relate to the supply to the Noteholders Representative of certain information and/or the notification to the Noteholders Representative in the case of specific events such as the occurrence of an event of default, as well as other rights of Lansdowne including material rights for Lansdowne to appoint both an observer and one non-executive director to the board of the Company.
- 7.2. The Note Purchase Agreement also contains customary general undertakings in relation to compliance with laws, taxation, and restrictions on the Company's business in relation to incurring further indebtedness (among others).

8. Indemnities

The Note Purchase Agreement contains certain indemnities given by the Company and its subsidiaries including (among others): for increased costs incurred by Note Purchasers, the Noteholders Representative or the Security Agent as a result of a change in law; and for any cost, loss or liability incurred by any of them in connection with the issue of the CLNs including the occurrence of events of default and certain other agreed circumstances.

9. Conditions Precedent

The obligations of the Note Purchasers under the Note Purchase Agreement are subject to certain conditions, including (amongst other conditions) the following material conditions: (i) the passing of the Resolutions by the requisite majority of the Company's shareholders at the General Meeting, to approve the authority for directors to allot shares and to disapply pre-emption rights in connection with the conversion of the CLNs; (ii) the delivery of various documents in connection with the issue of the CLNs; and (iv) satisfactory completion of valuation and due diligence in respect of the Company and the proposed security.

10. Events of Default

The Note Purchase Agreement provides for certain events of default regarding the Company and its subsidiaries, including, *inter alia*: (i) non-payment; (ii) non-delivery of shares when required to be delivered; (iii) breach of obligations; (iv) misrepresentations; (v) cross-default; (vi) insolvency; (vii)

insolvency proceedings and creditors' process; (viii) unlawfulness and invalidity; (ix) repudiation; (x) litigation; and (xi) material adverse change, each of which enable the Super Majority Purchasers, by notice to the Company to: (A) terminate availability of the CLNs and cancel total commitments in relation to the purchase of the CLNs; and/or (B) declare that all or part of the CLNs together and all other amounts accrued or outstanding under the finance documents be immediately due and payable and repurchased or redeemed at which time they shall become immediately due and payable; and/or (C) declare that all or part of the CLNs be repurchased and/or redeemed on demand, at which time they shall immediately be repurchased and/or redeemed; and/or (D) exercise or direct the security agent to exercise any or all of its rights, remedies, powers or discretions under the finance documents.

11. Transfers

A Note Purchaser must obtain the prior written consent of the Company before it may assign any of its rights or transfer by novation any of its rights and obligations under any finance document (as defined in the Note Purchase Agreement and including, for the avoidance of doubt, the CLNs), unless the assignment or transfer is to another Note Purchaser or an affiliate of a Note Purchaser and the aggregate commitments of such Note Purchaser and its affiliates is at least the lower of (A) £500,000 and (B) the amount of CLNs held by that Note Purchaser immediately prior to and following such assignment or transfer. If an event of default occurs and is continuing, a Note Purchaser may assign any of its rights or transfer by novation any of its rights and obligations under any finance document (including for the avoidance of doubt, the CLNs) without the prior written consent of the issuer.

12. Amendments and Waivers

Amendments to, and waivers of, the terms and conditions of the Note Purchase Agreement require the consent of the Company and the Super Majority Purchasers, save for certain material amendments and waivers, which require unanimous consent from the Noteholders and the Company

13. Governing Law and Jurisdiction

The Note Purchase Agreement is governed by the laws of England and the courts of England and Wales have exclusive jurisdiction in relation to disputes.

PART III

TERMS AND CONDITIONS OF THE OPEN OFFER

Introduction

As explained in the letter from the Chairman set out in Part I of this Document, the Company has conditionally raised £6.95 million pursuant to the Conditional Placing and proposes to raise up to a further £2.0 million through an Open Offer (before expenses) (assuming full subscription of the Open Offer). The Fundraising is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting

The Issue Price represents a discount of 72.1 per cent. to the closing middle market price of 10.75 pence per Ordinary Share on 31 March 2023, being the last practicable date prior to the announcement of the Fundraising.

The purpose of this Part III is to set out the terms and conditions of the Open Offer. Up to 66,666,666 Open Offer Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 17 May 2023. Qualifying Non-CREST Shareholders will have received Application Forms with this Document and Open Offer Entitlements are expected to be credited to the stock accounts of Qualifying CREST Shareholders in CREST on 22 May 2023.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Open Offer Shares. Excess Open Offer Entitlements are expected to be credited to the stock accounts of Qualifying CREST Shareholders in CREST on 22 May 2023.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 10.00 a.m. on 7 June 2023 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 9 June 2023.

This Document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part III, which gives details of the procedure for application and payment for the Open Offer Shares and any Excess Open Offer 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.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 66,666,666 Open Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings of Ordinary Shares at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Open Offer Shares in excess of their Open Offer Entitlement as at the Record Date.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement 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 them by the purchasers under the rules of the London Stock Exchange.

1. 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 hereby invited to apply for Open Offer Shares at the

Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- a) one (1) Open Offer Share for every 2.7 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; and
- b) further Open Offer Shares in excess of the Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

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, 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), your Open Offer Entitlements (in Box 4) and the amount payable to take up your Open Offer Entitlements (in Box 5).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 22 May 2023. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

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. Qualifying CREST Shareholders will have their Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part III 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 and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1 (f) and 3.1(k) of this Part III for further details of the Excess Application Facility.

In the event that the Open Offer is not fully subscribed, the Joint Brokers reserve the right to place the balance of the Open Offer Shares, pursuant to the Placing Option, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Open Offer. The Placing Option will not be underwritten.

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 Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through 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'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. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part III.

The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this Document and otherwise *pari passu* in all respects with the Existing 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.

2. Conditions and further terms of the Open Offer

The Open Offer is conditional on:

- (a) the passing at the General Meeting of the Resolutions by the requisite majority and such Resolutions remaining in full force and effect as at Admission; and
- (b) Admission becoming effective by no later than 8.00 a.m. on 9 June 2023 (or such later date as the Company, and the Joint Brokers may agree, being not later than 8.00 a.m. on 30 June 2023).

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.

Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

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

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 9 June 2023.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 9 June 2023, when dealings in the Open Offer Shares are expected to begin.

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

3. 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 are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form should have received the Application Form, enclosed with this Document. The Application Form shows the number of Existing Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form and the amount payable to take up their Open Offer Entitlement. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing 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 Existing 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 3.2 (f) of this Part III.

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.

3.1 If you have received an Application Form in respect of your Open Offer Entitlement under the Open Offer:

(a) General

Subject to paragraph 6 of this Part III in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the Open Offer Entitlement allocated to them set out in Box 4. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their 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. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Open Offer Shares in excess of their Open Offer Entitlement at the Record Date. The Excess Open Offer Shares will be scaled back *pro-rata* to the number of Excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

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.

(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 Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy bona fide market claims up to 3.00 p.m. on 5 June 2023. 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 contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected 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 purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding 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 the United States or any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 of this Part III below.

(c) 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 Excess Open Offer Shares if they have agreed to take up their Open Offer Entitlements in full.

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 and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be returned by post to Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD on 0121 585 1311 by no later than 10.00 a.m. on 7 June 2023. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 10.00 a.m. on 7 June 2023.

Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. 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. 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 10.00 a.m. on 7 June 2023; or
- (ii) Applications in respect of which remittances are received before 10.00 a.m. on 7 June 2023 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.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) Payments

All payments must be in pounds sterling and made by cheque made payable to "Neville Registrars Limited re: clients account" and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Neville Registrars Limited 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 and/or cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer. If Open Offer Shares have already been allotted to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-Crest Shareholder's application is subsequently otherwise deemed to be invalid, the Registrars 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, the Joint Brokers 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.

(e) Incorrect Sums

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

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

(f) The Excess Application Facility

- (i) 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 Excess Open Offer Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Open Offer Shares may do so by completing Boxes 7, 8 and 9 of the Application Form.
- (ii) If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Open Offer Shares will be scaled back pro rata to the number of Excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.
- (iii) Qualifying Non-CREST Shareholders who wish to apply for Excess Open Offer Shares must complete the Application Form in accordance with the instructions set out on the Application Form.
- (iv) Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 66,666,666 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Open Offer Shares and from whom payment in full for the Excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Excess 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.

(g) Effect of valid application

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form, the applicant:

- (i) represents and warrants to the Company and the Joint Brokers that they have 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 their rights, and perform their obligations under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and the Joint Brokers that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and the Joint Brokers that in making the application they are not relying on any information or representation in relation to the Company other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Document, he will be deemed to have had notice of all the information

in relation to the Company contained in this Document (including information incorporated by reference);

- (iv) represents and warrants to the Company and the Joint Brokers that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company and the Joint Brokers that if they have received some or all of his Open Offer Entitlement from a person other than the Company they are 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 they will become entitled be issued to them on the terms set out in this Document and the Application Form and subject to the Articles;
- (vii) represents and warrants to the Company and the Joint Brokers that they are not, nor are they applying on behalf of any person who is, in the United States 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 other jurisdiction in which the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of their application in the United States 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 other 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 they are able to accept the invitation by the Company 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 under the Open Offer;
- (viii) represents and warrants to the Company and the Joint Brokers that they are not, and nor are they 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 that in making the application they are not relying and has not relied on the Company, and the Joint Brokers or any person affiliated with the Company, and the Joint Brokers, in connection with any investigation of the accuracy of any information contained in this Document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD on 0121 585 1311.

(h) Proxy

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. However, you are encouraged to vote at the General Meeting by completing and returning the enclosed Proxy Form.

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 3.2(f) below for more information.

3.2 If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer

a. General

Subject to paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to their stock account in CREST of their Open Offer Entitlement equal to the

maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer together with a credit of Excess CREST Open Offer Entitlements equal to the maximum number of Open Offer Shares available through the Open Offer minus the Open Offer Entitlement. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available 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 Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason 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, 8.00 a.m. on 22 May 2023, 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 an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. CREST sponsored members should consult their CREST sponsor if they wish to apply for Open Offer Shares as only their CREST sponsor will be able to take the necessary action to make this application in CREST.

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 will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

c. Unmatched Stock Event (USE Instructions)

Qualifying CREST Shareholders who are CREST members and 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 which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Registrars 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 Registrars in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (a).

d. Content of USE Instruction in respect of Open Offer Entitlements

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrars);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BMBXLL99;

- (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 Registrars in its capacity as a CREST receiving agent. This is 7RA11;
- (vi) the member account ID of the Registrars in its capacity as a CREST receiving agent. This is BASIC;
- (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 10.00 a.m. on 7 June 2023; 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 10.00 a.m. on 7 June 2023.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 7 June 2023 in order to be valid is 10.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 9 June 2023 (or such later time and date as the Company, and the Joint Brokers determine being no later than 8.00 a.m. on 30 June 2023), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

e. Content of USE Instruction in respect of Excess CREST Open Offer Entitlements

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

- (i) the number of Excess Open Offer Shares for which application is being made (and hence being delivered to the Registrars);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BMBX3F77;
- (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 Registrars in its capacity as a CREST receiving agent. This is 7RA11;
- (vi) the member account ID of the Registrars in its capacity as a CREST receiving agent. This is EXCESS;

- (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 Excess Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 10.00 a.m. on 7 June 2023; 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 10.00 a.m. on 7 June 2023.

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.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 7 June 2023 in order to be valid is 10.00 a.m. on that day.

In the event that the Open Offer do not become unconditional by 8.00 a.m. on 9 June 2023 (or such later time and date as the Company, and the Joint Brokers determine being no later than 8.00 a.m. on 30 June 2023), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

f. 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 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 10.00 a.m. on 7 June 2023. 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 Registrars.

In particular, having regard to normal processing times in CREST and on the part of the Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 2 June 2023 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 1 June 2023 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 10.00 a.m. on 7 June 2023.

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 Registrars by the relevant CREST member(s) that it/they is/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 2 of the Application Form, and a declaration to the Company and the Registrars from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the 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.

g. Validity of application

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 10.00 a.m. on 7 June 2023 will constitute a valid application under the Open Offer.

h. CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 10.00 a.m. on 7 June 2023. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

i. Proxy

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by completing and returning the enclosed Proxy Form.

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. The Excess Application Facility

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full, to apply for Excess Open Offer Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Open Offer Shares will be scaled back *pro rata* to the number of Excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Open Offer Shares to be settled through CREST. Qualifying

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

To apply for Excess Open Offer Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 66,666,666 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 Open Offer 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 by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess CREST Open Offer Entitlements should be addressed to Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD on 0121 585 1311, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

L. Effect of valid application

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to Open Offer Shares in accordance with the above procedures hereby:

- (i) represents and warrants to the Company, and the Joint Brokers that they have 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 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 Registrars’ 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 the Joint Brokers that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company, and the Joint Brokers that in making the application they are not relying on any information or representation in relation to the Company other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, they will be deemed to have had notice of all the information

in relation to the Company contained in this Document (including information incorporated by reference);

- (v) represents and warrants to the Company, and the Joint Brokers that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
 - (vi) represents and warrants to the Company, and the Joint Brokers that if they have received some or all of their Open Offer Entitlements from a person other than the Company, they are 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 Open Offer Shares to which they will become entitled be issued to them on the terms set out in this Document and subject to the Articles;
- (A) Represents and warrants to the Company, and the Joint Brokers that they are not, nor are they applying on behalf of any Shareholder who is, in the United States 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 other 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 the United States 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 other 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 accept the invitation by the Company 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 under the Open Offer; represents and warrants to the Company, and the Joint Brokers that they are not, and nor are they 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 confirms that in making the application he is not relying and has not relied on the Company, and the Joint Brokers or any person affiliated with the Company, and the Joint Brokers, in connection with any investigation of the accuracy of any information contained in this Document or his investment decision.

m. Company's discretion as to the rejection and validity of applications

The Company may in its sole discretion, but shall not be obliged to:

- 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;
- 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 Registrars 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 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;
- iv. 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 Registrars 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 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

- v. 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 Registrars in connection with CREST.

n. Lapse of the Open Offer

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 9 June 2023 or such later time and date as the Company, and the Joint Brokers determine (being no later than 8.00 a.m. on 30 June 2023), 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.

4. Money Laundering Regulations

4.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, Neville Registrars Limited 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 are the responsibility of such broker or intermediary and not of the Registrars. 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 “acceptor”), including any person who appears to Neville Registrars Limited 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 4 the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide Neville Registrars Limited with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Neville Registrars Limited determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Neville Registrars Limited is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Neville Registrars Limited 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 applies, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Neville Registrars Limited 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 acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Neville Registrars Limited, and the Joint Brokers 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:

- (a) 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 or terrorist financing (no. 2015/849/EU);
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (c) 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
- (d) 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 pounds 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 may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer 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 paragraph 4.1 above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, 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 Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD on 0121 585 1311.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Neville Registrars Limited of Neville House, Steelpark Road, Halesowen B62 8HD on 0121 585 1311. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 10.00 a.m. on 7 June 2023, Neville Registrars Limited has not received evidence satisfactory to it as aforesaid, Neville Registrars Limited 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 payee 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 aforesaid).

4.2 Open Offer Entitlements in CREST

If you hold your Open Offer Entitlement and Excess CREST Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlement and Excess CREST Open Offer Entitlement 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, Neville Registrars Limited 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 Neville Registrars Limited 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 Neville Registrars Limited such information as may be specified by Neville Registrars Limited as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Neville Registrars Limited as to identity, Neville Registrars Limited 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.

5. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 8 June 2023. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 9 June 2023. 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.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 10.00 a.m. on 7 June 2023 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, new Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for new Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 9 June 2023, the Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. 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 allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrars in connection with CREST.

No temporary documents of title will be issued. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant.

For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

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 or acceptance of the Open Offer to or by 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. It is the responsibility of those persons to 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, and the Joint Brokers 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 an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in whose 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 the United States or 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 them, 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 them 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 under the Open Offer to satisfy themselves 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, the Joint Brokers nor any of their respective representatives is making any representation or warranty 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 in respect of the Open Offer unless the Company, and the Joint Brokers 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 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 dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other 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 the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or warrant certificates or make such a credit.

Notwithstanding any other provision of this Document or the relevant Application Form, the Company, and the Joint Brokers reserve 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 where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States 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. No public offer of Open Offer Shares is being made by virtue of this Document or the Application Forms into the United States or any Restricted Jurisdiction.

Receipt of this Document and/or an Application Form and/or a credit of an Open Offer Entitlement 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 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 New Ordinary Shares in the United States. Subject to certain exceptions, neither this Document nor an Application Form will be sent to, and no New Ordinary 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 New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary 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 non-discretionary 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 despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary 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 New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary 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 New Ordinary 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 New Ordinary Shares may be transferred. In addition, the Company, and the Joint Brokers 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 New Ordinary 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 Restricted Jurisdictions

Due to restrictions under the securities laws of the other Restricted Jurisdictions 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 or invitation to apply for Open Offer Shares is being made by virtue of this Document or the Application Form 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 Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this 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 in respect of the Open Offer.

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, the Joint Brokers and the Registrars 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 Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to 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 accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Registrars may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or 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 the United States or 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 and warrant certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 6.5(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 represents and warrants to the Company, the Joint Brokers and the Registrars 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) such person is not within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a nondiscretionary 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) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

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 the Joint Brokers 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. Times and dates

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

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

8. Taxation

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

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 taking up Open Offer Shares, by way of their Open Offer Entitlement and 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

RISK FACTORS

Shareholders should be aware that an investment in the Company is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this Document including, in particular, the risk factors described below, which are not presented in any order of priority and may not be exhaustive.

In addition to the risk factors set out below, additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group's business, financial condition and results of operations.

An investment in the Company may not be suitable for all recipients of this Document. Before making a final decision, investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom.

1. Risks specific to the Company and the markets in which the Company operates

1.1 *Development, operating and general mining risks*

Mineral exploitation and development is a high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Group. The Group's profitability will depend, to a large extent, on the actual economic returns and the actual costs of refurbishing and operating parameters at Hemerdon, which may differ significantly from the Group's understanding

The Group's feasibility studies and underlying estimates are based on assumptions regarding, *inter alia*, future commodity prices, anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed, anticipated recovery rates of the mineral and aggregate by-product from the ore, anticipated capital expenditure and cash operating costs and the anticipated return on capital invested. Notwithstanding the significant historical data available to inform these studies and estimates, actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates.

The recommencement of operations at Hemerdon may be subject to unexpected problems and delays. There are a number of uncertainties inherent in mining operations and the future commercialisation of the Hemerdon mine, including the timing and cost of the refurbishment and upgrades of mining and processing facilities; the availability and cost of skilled labour, power, water, fuel, consumables and transportation facilities; the availability and cost of appropriate offtake arrangements; the need to obtain necessary environmental and other governmental permits and the timing of those permits; and the availability of sufficient funds to finance the planned and future construction and development activities, as referred to elsewhere in this Part IV. In addition, the Group may face periodic interruptions to operations at Hemerdon due to bad or hazardous weather conditions (such as mist and fog) as the low visibility conditions may make it difficult and unsafe to work at Hemerdon, which the Group cannot predict or control.

1.2 *Commodity price volatility*

Historically, as with most commodities, tungsten and tin prices have been volatile, displaying wide ranges in trading, and are affected by number factors over which the Company does not have any control. These include global production levels, government regulation, international economic trends, currency exchange fluctuations, interest rates, expectations for inflation, speculative activity, ability to transport, consumption patterns and global or regional political events. Future commodity price movements are impossible to accurately predict and the Group can give no assurance that prices presented by the Group will be maintained

in the future. The prices achievable for aggregates will be based on local and regional markets and are also not possible to predict with any accuracy.

Prolonged periods of commodity price depression and volatility may negatively impact the Group's ability to meet guidance targets or to meet its financial obligations as they fall due and/or comply with its debt covenants. At Hemerdon, any material decline in tungsten and aggregate prices (and, to a lesser extent, tin prices) will result in a reduction of its net production revenue. The economics of Hemerdon will change as a result of sustained lower prices, which could result in a reduction in the mine production and final product quantities or possibly the cessation of mining activities. All of these factors could potentially result in a material decrease in the Group's net production revenue and the financial resources available to it, resulting in a material adverse effect on its future financial condition, business, prospects and results of operations.

The Group will conduct regular assessments of the carrying value of its assets. If the metal and aggregate prices decline significantly and remain at low levels for an extended period of time, the carrying value of the Group's assets may be subject to impairment.

1.3 Mineral Resources and Ore Reserves are estimates only

Although the Group has a JORC Code (2012) compliant Mineral Resource Estimate, there is no certainty that the mineral resources, or any ore reserve, will be mined and processed. Whilst the overall geology is well understood at Hemerdon, the mineralisation of the deposit is complex (as referred to in the risk factor entitled "*Mineralisation*" below), with the estimation of the mineral resource and ore reserves being subject to a degree of interpretation and opinion. Accordingly, there can be no assurance that the presented ore reserves can be extracted economically, or any mineral resources will result in proven and probable ore reserves being attributed to the Group. Until the deposit is actually mined and processed, the quantity and grade of the mineral resources and ore reserves must be considered as estimates only.

In addition, the value of mineral resources and any ore reserve will depend upon, amongst other things, metal prices and currency exchange rates. Any material changes to the quantity of mineral resources, or any mineral reserve, or grade, may affect the economic viability of future mining operations. Any material reductions in the estimates of mineral resources, or mineral reserves, or the Group's ability to extract any ore, could have a material adverse effect on the Group's future results of operation and financial condition.

Mineral Resource estimates are estimates of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. Mineral Resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to the Group's mineral resources could affect the Company's development and mining plans.

1.4 Mineralisation

Whilst the overall geology of the Hemerdon deposit is well understood, the mineralisation itself is more geologically complex, with the further interpretation of the ferberite minerals alternation, which may affect metallurgical responses, having been subject of a number of studies.

Previous exploration of the deposit was primarily focused on the granite-hosted tungsten mineralisation, resulting in a run of mine plan derived around this granite hosted mineralisation. Subsequent interpretation and testwork of the deposit identified mineralisation within the killas material that had previously been considered as waste material in the life of mine plan. The processing of this killas material is predicated on the successful installation and operation of ore technology at the mineral processing plant.

Historical mining operations encountered operational issues through the lack of definition of the deposit mineralisation within the geological block model, leading to inefficiencies in extracting and processing the ore. Whilst the Group has carried out limited additional interpretation and testwork work to understand the mineralisation hosted within the killas, as well as the distribution and controls on tin mineralisation, future mining and processing operations will need to be dynamic and rapidly adapt to the complex mineralisation to ensure efficient extraction and processing of mineralised ore. If this is not achieved, then the efficiency of the processing facilities and therefore the profitability of operations are likely to be negatively impacted.

1.5 ***Changes in capital and operating costs***

Changes in the Group's capital costs and operating costs are likely to have an impact on its profitability. The Group's main planned production expenses include mining costs, transport costs, processing costs and other overheads. Changes in costs of the Group's mining and processing operations can occur as a result of unforeseen events and inflationary cost pressures as described in paragraph 1.6 below. Accordingly, this could result in changes in profitability and/or resource and costs estimates, including rendering portions of the ore reserves uneconomic to mine. Many of these changes may be beyond the Group's control.

1.6 ***Increasing prices in line with inflationary cost pressures***

The Group faces cost increases as a result of wages, energy and material price inflation. The Group may not be able to offset these cost increases by cost reductions elsewhere, improvements in productivity and/or price increases which may therefore have a material adverse effect on the Group's prospects, operating and financial condition.

1.7 ***Financing and security granted in favour of Note Purchasers***

The Group's operations require significant capital investment and any delays in the projects at the Hemerdon may result in projects target dates for related production (including commercial production) being delayed and further capital expenditure being required. In all mining and drilling operations, there is uncertainty, and therefore risk, associated with operating parameters and costs resulting from the scaling up of extraction methods. The Group's ability to raise further funds will depend on the success of its existing operations.

In addition, bank borrowings available to the Group may, in part, be determined by the Group's borrowing base. A sustained material decline in prices from historical average prices could reduce the Group's borrowing base, therefore reducing the bank credit available to the Group which could require that a portion, or all, of its bank debt be repaid.

The Company has agreed to grant security over certain assets in favour of the Security Agent pursuant to the Note Purchase Agreement.

Under the terms of the Note Purchase Agreement, the Company has given certain covenants typical for financing, including but not limited to, those relating to no material adverse change, ownership of property and assets or enforceability of mineral rights. A breach of such a covenant could constitute an event of default, in addition to other specified events of default. If the Company encounters financial difficulties and/or if an event of default occurs or a demand is made under the Note Purchase Agreement, the security granted in favour of the Security Agent may become enforceable and Security Agent may take ownership and control of the charged assets.

1.8 ***Dependence on key personnel and directors' conflicts***

The Group has a small management team and the loss of a key individual could have an adverse effect on the future of the Group's business or cause delay its plans. The business and future of the Group is substantially dependent on the expertise and continued services of its directors, employees and consultants. In addition, it may not be possible to source personnel in the local area with the relevant technical skills required to work at Hemerdon deposit.

Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success and an inability to do so could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

1.9 ***The Group will be subject to competition for its skilled personnel and challenges in attracting and retaining key personnel could impair the Group's ability to conduct and grow its operations effectively***

The Group's ability to compete in the competitive mineral resource sector depends upon its ability to retain and attract highly qualified management, operational and technical personnel. The Group requires specialist personnel with much of the local experience coming from the nearby China clay mining operations, which is not directly comparable to the Group's operations where grade control is especially paramount.

The loss of key management and/or technical personnel could delay the development of the Group's assets and negatively impact the ability of the Group to compete in the tin/tungsten resource sector. In addition, the Group will need to recruit new senior managers and key technical and operational personnel to develop its business as and when it expands into fields which require additional skills. Other mineral resource companies that it competes against for qualified personnel may have a greater financial and other resources, different risk profiles or longer track records than the Group. If this competition is very intense, the Group might not be able to attract or retain these key persons on conditions that are economically acceptable. Therefore, the inability of the Group to retain and attract such key persons could prevent it from achieving their objects overall and thus could have a material adverse effect on their business, financial condition, results of operations and prospects.

1.10 ***Environmental, health and safety and other regulatory standards regulation***

The Group's operations are, and will going forward be, subject to various laws and regulations relating to the protection of the environment (including regular environmental impact assessments and the obtaining of appropriate permits or approvals by relevant environmental authorities). Whilst the Company has built on historically negotiated and approved applications and believes it will obtain these permits or licences, there can be no guarantee that these applications will be successful or that, if obtained, they will not be withdrawn or made subject to limitations that may otherwise affect the operations of the Group.

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

Whilst the Company and its management are highly confident that the permits currently undergoing re-application will be issued on a timely basis, if the permits are delayed or not granted the Company will, in the first instance, take action to appeal the decision of the Environment Agency. If, in what the Board believes is a highly unlikely outcome, the Company is ultimately unsuccessful in obtaining the relevant permits, the Company will explore other options to utilise its asset base, which could potentially involve relying on its permissions to extract aggregates at Hemerdon and to sell the aggregate material on-site, albeit this would inevitably lead to a reduction in the Group's revenue compared to that which is expected to be achieved on the current business model.

The Group is also required to comply with applicable health and safety and other regulatory standards. Environmental legislation in particular can, in certain jurisdictions, comprise numerous regulations which might conflict with one another and which cannot be consistently interpreted.

Such regulations typically cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Although the Directors intend that the Group will operate in accordance with the highest standards of environmental practice and comply in all material respects with applicable environmental laws and regulations, full compliance may not always be ensured.

Any failure to comply with relevant environmental, health and safety and other regulatory standards may subject the Group to extensive liability and fines and/or penalties and have an adverse effect on the business, results of operations, or prospects of the Group. In particular, a violation of health and safety laws relating to a mine, or other plant or a failure to comply with the instructions of the relevant health and safety authorities could lead to, among other things, a temporary shutdown of all or a portion of the mine, or other plant, a loss of the right to mine or to use other plant, or the imposition of costly compliance procedures. If health and safety authorities require the Group to shut down all or a portion of a mine, or other plant or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have a material adverse effect on the Group's results of operations or financial condition. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Group's business or have an otherwise negative impact on its operations. Any changes to, or increases in, the current level of regulation or legal requirements may have a material adverse effect upon the Group in terms of additional compliance costs.

Any environmental damage, loss of life, injury or damage to property caused by the Group's operations could damage the Group's reputation in the areas in which the Group operates. Negative sentiment towards the Group could result in a lack of willingness of authorities to grant the necessary licences or permits for the Group to operate its business and in residents in the areas where the Group is doing business opposing further operations in the area by the Group. If the Group develops a reputation of having an unsafe work site it may impact the ability of the Group to attract and retain the necessary skilled employees and consultants to operate its business. Further, the Group's reputation could be affected by actions and activities of other corporations operating in the mining industry, over which the Group has no control. In addition, environmental damage, loss of life, injury or damage to property caused by the Group's operations could result in negative investor sentiment towards the Group, which may result in limiting the Group's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Ordinary Shares.

Mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and remediation of the environment and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive.

Although the Board believes that the Group will be in compliance in all material respects with applicable environmental laws and regulations and will hold all necessary approvals and permits under those laws and regulations by the time operations commence, there are certain risks inherent in the Group's activities and those which it anticipates undertaking in the future, such as, but not limited to, risks of accidental spills, leakages or other unforeseen circumstances, that could subject the Group to potential liability. The Company therefore cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations.

1.11 *Risks associated with the need to maintain an effective system of internal controls*

The Group's future growth and prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

1.12 *Reliance on third parties*

The Company will be reliant on third party service providers and suppliers to provide equipment, infrastructure and raw materials required for the Company's business and operations and there can be no assurance that such parties will be able to provide such services in the time scale and at the cost anticipated by the Company.

1.13 **Foreign currency risk**

The Group's operating costs are in pounds sterling and the Group will report its results in pound sterling, however the Group's revenue will be predominately in US Dollars. This may result in additions to the Group's reported costs or reductions in the Group's reported revenues. Fluctuations in exchange rates between pounds sterling and US Dollars may cause fluctuations in the Group's financial results that are not necessarily related to the group's underlying operations and which are not possible to predict.

1.14 **Competition**

The mining industry can be competitive. The Group faces potential competition from other mining companies in connection with the acquisition of mineral properties, as well as for the recruitment and retention of qualified employees. Larger companies, in particular, may have access to greater financial resources, operational experience and technical capabilities than the Group which may give them a competitive advantage.

1.15 **Fundraising**

The funds raised from the Fundraising will not be sufficient to finance the Company through to cash generation. The intention of the Fundraising is to fund the business through the planning and permitting process and completion of the required Project funding.

2. **Risks relating to an investment in the Ordinary Shares**

2.1 **Investment in AIM companies**

An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

2.2 **AIM Rules for Companies and volatility of share price**

The AIM Rules for Companies are less onerous than those applicable to companies on the Official List and an investment in a company whose shares are traded on AIM is likely to carry a higher risk than an investment in a company whose shares are quoted on the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document.

The share price of publicly traded, early stage companies can be highly volatile and it may be more difficult for investors to realise their investment in a company whose shares are traded on AIM than to realise an investment in a company whose shares are quoted on the Official List. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

In addition, if the stock market in general experiences a loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Company's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Company. Each of these factors, among others, could harm the value of the Ordinary Shares.

The value of Ordinary Shares will be dependent upon the success of the operational activities undertaken by the Company and prospective investors should be aware that the value of the Ordinary

Shares can go down as well as up. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration.

2.3 ***The Fundraising will dilute ownership of the Ordinary Shares***

The proportionate ownership and voting interest in the Company of Shareholders who are not Note Purchasers or participating in the Open Offer will be reduced by the Fundraising. In addition, the Company will need or may choose to raise additional funds in the future to finance, amongst other things, working capital, expansion of the Company, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. The Company may also issue shares as consideration for acquisitions or investments which would also dilute Shareholders' interests in the Company.

2.4 ***Future payment of dividends***

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, amongst other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

2.5 ***Valuation of Ordinary Shares***

The Issue Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

2.6 ***Market perception***

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

2.7 ***Suitability***

An investment in the Ordinary Shares may not be suitable for all recipients of this Document, and is only appropriate for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complimentary to investments in a range of other financial assets. Potential investors should consider carefully whether investment in the Ordinary Shares is suitable for them in light of the information in this document and their personal circumstances. Potential investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the Ordinary Shares.

2.8 ***Forward-looking statements***

This Document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a

result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business.

It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Company is, or may be, exposed to or all those associated with an investment in the Company. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware, which may also have an adverse effect upon the Company

PART V
NOTICE OF GENERAL MEETING

TUNGSTEN WEST PLC

(Incorporated and registered in England with registered number 11310159)

NOTICE IS HEREBY GIVEN that a General Meeting of Tungsten West PLC (the “**Company**”) will be held at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London EC3V 0HR on 8 June 2023 at 10.00 a.m. to consider, and, if thought fit, pass the following Resolutions, of which Resolution 1 is being proposed as an ordinary resolution and Resolution 2 as a special resolution.

In this Notice, words and defined terms shall have the same meaning as words and defined terms in the Circular to which this Notice is attached unless otherwise defined.

ORDINARY RESOLUTION

1. THAT, in accordance with section 551 of the Act, the Directors (or a duly constituted committee thereof) be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company provided that this authority shall be limited to:
 - (a) the allotment of the Open Offer Shares;
 - (b) up to 1,060,363,836 new Ordinary Shares in connection with the Convertible Loan Notes; and
 - (c) (otherwise than pursuant to sub-paragraphs (a) and (b) above) up to an aggregate nominal amount of £350,000.

SPECIAL RESOLUTION

2. THAT, subject to the passing of Resolution 1 above (and in addition to all existing unexercised powers of the Directors under section 570 of the Act, which shall continue in full force and effect), the Directors (or a duly constituted committee thereof) be and are hereby empowered pursuant to section 570 of the Act, to allot equity securities (as defined by section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 above, as if section 561 of the Act did not apply to any such allotment, provided that such power shall be limited to:
 - (a) the Open Offer Shares;
 - (b) up to 1,060,363,836 new Ordinary Shares in connection with the Convertible Loan Notes; and
 - (c) (otherwise than pursuant to sub-paragraphs (a) and (b) above) the equity securities up to an aggregate nominal amount of £350,000.

Registered Office
Shakespeare Martineau LLP
6th Floor, 60 Gracechurch Street
London
EC3V 0HR

Ben Harber
Company Secretary
By Order of the Board
19 May 2023

Notes:

ENTITLEMENT TO ATTEND AND VOTE

1. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the Company's register of members at 6:00 p.m. B.S.T. on 7 June 2023 or, if the meeting is adjourned, at 6:00 p.m. on the day two business days prior to the adjourned meeting, will be entitled to attend, speak and vote at the meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

APPOINTMENT OF PROXIES

2. If you are a member of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote in your place. A form of proxy is enclosed. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. 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, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you fail to specify the number of shares to which each proxy relates or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
3. To be effective, the form of proxy must be (i) completed and signed, (ii) sent or delivered to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, and (iii) received by Neville Registrars Limited no later than 10.00 a.m. B.S.T. on 6 June 2023. Any power of attorney or other authority under which the form of proxy is signed (or a notarially certified copy or a duly certified copy of such power or authority) must be included with the form of proxy.
4. As an alternative to completing hard copy form of proxy, shareholders can submit their vote electronically at www.sharegateway.co.uk by completing the authentication requirements on the website no later than 10.00 a.m. B.S.T. on 6 June 2023. Shareholders will need to use their personal proxy registration code (Activity Code), which is printed on the form of proxy, to validate the submission of their proxy online.
5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Neville Registrars (whose CREST ID is 7RA11) by the specified latest time(s) for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(A) of the Uncertificated Securities Regulations 2001.

CHANGING PROXY INSTRUCTIONS

6. To change your proxy instructions, simply submit a new proxy appointment using the method set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of the proxies will take precedence.

TERMINATING PROXY APPOINTMENTS

7. In order to revoke a proxy appointment, you will need to inform the Company by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Neville Registrars Limited no later than 10.00 a.m. B.S.T. on 6 June 2023. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

CORPORATE REPRESENTATIVES

8. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

OTHER MATTERS

9. A shareholder may not use any electronic address provided either in this notice or any related documents (including the form of proxy), to communicate with the Company for any purposes other than those expressly stated.
10. As at 18 May 2023 (being the last practicable date prior to the publication of this Notice), the Company's issued share capital consisted of 180,551,615 ordinary shares of £0.01 each. 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 18 May 2023 was 180,551,615.

