

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, you should consult a person authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This Document has been drawn up in accordance with the requirements of the PLUS Rules for Issuers on the PLUS market.

The Company and the Directors of Rare Minerals plc, whose names appear on page 3, accept responsibility, individually and collectively, for the information contained in this Document. To the best of the knowledge and belief of the Company and its Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there are no other facts which, if omitted, would effect the import of such information. The share capital of the Company is not presently listed or dealt in on any stock exchange. It is intended that an application will be made for all the Ordinary Shares to be traded through PLUS-quoted market ("PLUS").

PLUS, which is operated by PLUS Stock Exchange plc, a recognised investment exchange, 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. It is not classified as a Regulated Market under EU financial services law and PLUS-quoted securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in PLUS-quoted securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

Rare Minerals plc is required by PLUS Stock Exchange plc to appoint a PLUS Corporate Adviser to apply on its behalf for admission to PLUS and must retain a PLUS Corporate Adviser at all times. The responsibilities and duties of a PLUS Corporate Adviser are set out in the PLUS Rules for Issuers. It is emphasised that no application is being made or has been made for admission of the Ordinary Shares to the Official List of London Stock Exchange Plc or to trading on the AIM market of London Stock Exchange Plc or on the PLUS-listed Market.

In connection with this document and/or the Placing, no person is authorised to give any information or make any representations other than as contained in this document.

Application will be made for the entire issued share capital of the Company to be introduced to trading on PLUS. It is expected the Admission will take place on 28 April 2011.

The whole of this Document should be read and in particular your attention is drawn to Part II of this Document which sets out certain risk factors. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors. The Company has no existing business record. This Document is not an offer to purchase shares in the Company.

Rare Minerals Plc

(Incorporated in England and Wales under the Companies Act 2006 with Registered Number 7496976)

**Placing of up to 250,000,000 Ordinary Shares of 0.01p each
at a price of 0.3p per share and Admission to the PLUS Market**

**Corporate Adviser
Alfred Henry Corporate Finance Limited**

**Broker
Zeus Capital Limited**

Share capital of the Company on Admission immediately following Placing

	<i>Issued</i>	
	<i>Amount</i>	<i>Number</i>
	£215,000	2,150,000,000

Alfred Henry Corporate Finance Limited, which is authorised and regulated by the FSA and is a member of PLUS, is the Company's Corporate Adviser for the purposes of the Placing and the application for the Ordinary Shares to be admitted to trading on PLUS. The advisers named on page 3, including Alfred Henry Corporate Finance Limited, are acting for the Company and for no one else in relation to the arrangements proposed in this Document and will not be responsible for anyone other than the Company for providing the protections afforded to clients of such advisers or for providing advice in relation to the Placing.

The text of this Document should be read in its entirety. An investment in Rare Minerals Plc involves a high degree of risk and attention is drawn in particular to the section entitled "Risk Factors" in Part II of this Document. All statements regarding the Company's business, financial position and prospects should be viewed in light of such Risk Factors. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Nicholas Christian Paul Nelson Shane Gerard Moloney both of 145-147 St John's Street London EC1V 4PY	Executive Chairman Director
Company Secretary	International Registrars Limited	
Registered Office	145-147 St John's Street London EC1V 4PY	
Corporate Adviser	Alfred Henry Corporate Finance Limited Finsgate 5-7 Cranwood Street London EC1V 9EE	
Broker	Zeus Capital Ltd 3 Ralli Courts West Riverside Manchester M3 5FT	
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE	
Reporting Accountants	French Duncan LLP 56 Palmerston Place Edinburgh EH12 5AY	
Solicitors to the Company	Pritchard Englefield 14 New Street London EC2M 4HE	
Registrars	Share Registrars Limited Suite E, First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL	

DEFINITIONS

In this Document, where the context permits, the terms set out below shall have the following meanings:

“the Act”	Companies Act 2006 (as amended)
“Admission”	admission of the share capital, in issue and to be issued pursuant to the Placing, to trading on PLUS and such admission becoming effective in accordance with the PLUS Rules
“Admission Document” or “Document”	this document
“AIM”	AIM, a market operated by The London Stock Exchange
“Alfred Henry”	Alfred Henry Corporate Finance Limited, a company authorised and regulated by the FSA
“Application Form”	the application form set out at the end of this Document
“Combined Code”	the UK Corporate Governance Code by the Financial Reporting Council
“Company”	Rare Minerals plc
“CREST”	the relevant system (as defined in the CREST Regulations) in accordance with which securities may be held or transferred in uncertificated form, and in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time, and any applicable rules made under those regulations
“Directors” or “Board”	the directors of the Company at the date of this Document whose names are set out on page 3 of this Document
“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited the operator of Crest
“FSA”	Financial Services Authority
“FSMA”	The Financial Services and Markets Act 2000 (as amended)
“The London Stock Exchange”	London Stock Exchange plc
“Placing”	the invitation by the Company to subscribe for the Placing Shares set out in this Document
“Placing Price”	0.3p per Placing Share
“Placing Shares”	up to 250,000,000 Ordinary Shares which are the subject of the Placing
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 0.01p each in the capital of the Company
“PLUS”, “PLUS-quoted”	the PLUS – quoted market operated by PLUS Stock Exchange Plc

which allows trading of shares in unlisted companies.

“PLUS Rules”	the PLUS Rules for Issuers containing application requirements for admission to the PLUS- quoted market; requirements as to the continuing obligations of PLUS-quoted issuers once admitted; and guidance notes
“Shareholders”	holders of Ordinary Shares from time to time
“UK Listing Authority”	the FSA, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
“Warrants”	Warrants to subscribe for up to 1,650,000,000 Ordinary Shares at a price of 0.01p per share as described in paragraph 9.4 of Part V of this Document

PLACING STATISTICS

(assuming minimum subscription)

Placing Price	0.3p
Number of Placing Shares, the subject of the Placing	250,000,000
Number of Ordinary Shares in issue following the Placing	2,150,000,000
Market Capitalisation at the Placing Price on Admission	£6,450,000
Proportion of enlarged issued ordinary share capital subject to the Placing	11.6%
Gross proceeds receivable by the Company pursuant to the Placing	£750,000
Estimated net proceeds of the placing receivable by the Company	£705,000

EXPECTED TIMETABLE

Publication of this Document	28 April 2011
Admission and commencement of dealings on PLUS Market	28 April 2011
Settlement of Placing Shares through CREST	28 April 2011
Despatch of definitive share certificates in respect of the Placing Shares to placees by no later than	5 May 2011

PART I

INFORMATION ON THE COMPANY

Introduction

Rare Minerals plc has been established by the directors as a means to invest in or acquire companies engaged in the prospecting or mining of valuable minerals including rare earth metals.

The Directors have therefore decided to seek a PLUS - quoted listing and trading facility for the Company that will look to explore and exploit investments or acquisitions in this sector. Part I of this Document describes the Company's intended strategy and its management.

Investment Strategy

The directors who have experience in the natural resources sector believe there are a number of exciting opportunities in the mining sector. In considering a significant acquisition, the investment sought would be in either high value commodities, such as rare earth and precious metals, or alternatively, energy producing assets.

The Directors believe these two options represent the greatest potential within the natural resources sector, for the following reasons:

In terms of investment into rare earth or precious metals, the use of rare earth metals has increased dramatically over past years in response to increased world usage of technological devices in industry and around the home. China has emerged as the dominant producer of rare earth metals since the 1980's, with a substantial majority of world supply, but a relatively smaller proportion of the world's proven resources. This position has arisen due to China's ability to operate more economically than the competition. With global demand straining supply, prices of rare earth metals are expected to increase. This is likely to continue as China limits exports to conserve resources.

Precious metals assets represent an attractive opportunity, as they are seen as a universal store of value for investors in uncertain times; which has led, in recent times, to a driving up in the value of gold, silver and other precious metals. With China recently lifting the ban on its citizens owning precious metal stocks, there are potentially hundreds of millions of 'new' precious metals investors coming to the market, looking for an investment safe haven.

In their pursuit of the most suitable means of growing shareholder value, the Directors may consider a strategy of acquiring claims licenses for onward commercialisation and eventual disposal. If the Directors choose to pursue an alternative strategy of investment into claims licenses, the board will consider appointing additional members to bring greater sector expertise to the table.

The directors will be guided by a committee of industry experts including the committee chairman, Jonathan Harvey Glynne Allen MBE, aged 64

Jonathan Allen has been involved in the Natural Resources sector for 33 years, since he joined Laing and Cruickshank in 1978, where he worked as an Investment Banker focussed on mining finance until 1982. He was CEO of a gold mining company with operations in the USA and Canada from 1982 to 1989. The company was subsequently sold to a TSX listed Canadian mid tier mining corporation.

He moved into Executive Search covering the Natural Resources sector in 1990, where he spent 15 years placing senior management across a range of Natural Resources focussed public companies and within Investment Banking. He set up and ran his own Executive Search business, Harvey Glynne International from 1997 to 2004. He has since worked as an independent financial advisor providing Corporate Finance advisory services to companies in the Natural Resources sector.

He continues to advise a number of companies and has very good relationships with the senior management of many AIM, TSX, ASX and main board listed companies in the Natural Resources sector.

The Directors are in active discussions with up to three additional candidates for the committee spanning a range of disciplines in the natural resources sector and geographical specialisms. The Board will call on the committee to evaluate potential investments as they arise, the committee will also be expected to originate investment ideas on behalf of the Company.

Committee members are expected to be engaged on the basis of a share options remuneration package.

The Directors intend that the initial opportunities will be carefully selected, taking account of available resources. If required to carry out an acquisition, the Directors will seek external finance.

The Directors believe they have the relevant experience and access to experts in the relevant fields, to deliver opportunities and intend to utilise this experience in making investments and acquisitions in the chosen sector. They will use their collective experience to identify appropriate investment opportunities, undertake due diligence and negotiate agreements. However, in the event that the company has not made a material investment within one year following admission it will either seek shareholders' approval in respect of each subsequent year for the further pursuit of its investment strategy or return its remaining cash to shareholders.

Investment Development Criteria

The Company will seek investment and management opportunities through the investment of capital by the issue of new ordinary shares or other securities in the Company where part of or all of the consideration could be satisfied by that means. The opportunities would generally have some or all of the following characteristics, namely:

- Opportunities initially in the Company's target sectors of rare minerals.
- Assets that are based in the target geographical areas of Africa or Asia.
- Potential for significant capital growth.
- Opportunities where prospective vendors would consider the issuance of new ordinary shares as part or all of the consideration of the transaction.

Directors

***Nicholas Christian Paul Nelson* aged 46, Executive Chairman**

Nicholas Nelson is Managing Director of Hansard Communications Limited, a financial public relations consultancy. He has worked in corporate communications for ten years prior to which he spent his early career in both market making and stockbroking accordingly he has a close working knowledge of the stock market and has assisted on several PLUS and AIM flotations. Nicholas is a non executive director of AIM quoted dotDigital Group Plc which was originated as an investment vehicle co-founded and managed by Nicholas.

In the mining and minerals sector, in addition to Rare Minerals Plc he advises a spread of clients in the mining and minerals sector which include, PLUS quoted Great Western Mining Co Plc, ASX/TSX quoted Moly Mines and Platinum Australia, SG Energy, a Chinese silica quarrying company, Meridian Metals Mining & Minerals an Irish private company and AIM quoted Oregon Gold. Three of the above companies, under Nicholas's advice, are preparing for fund raisings with possible admissions to the public markets.

***Shane Gerard Moloney* aged 49, Director**

Shane Moloney is a partner at Shipleys LLP, a firm of accountants specialising in corporate finance and undertaking strategic business planning and capital markets advice for entrepreneurial high growth enterprises, often preparing for listing on junior and main markets. He trained with Arthur Anderson, joined Shipleys in 1988, and became a partner in 1992. He is an Irish Chartered Accountant and member of the Corporate Finance Faculty of the Institute of Chartered Accountants in England & Wales. Shipleys LLP has a strong media focus and Shane has advised production and post production companies on strategic issues and has recently facilitated the introduction of a media buying group onto AIM. Shane co-founded dotDigital Group Plc with Nicholas Nelson and he has also advised AIM listed African Minerals Limited, an iron ore exploration venture in Sierra Leone.

Corporate Governance and Internal Controls

The Directors recognise the importance of sound corporate governance, whilst taking into account the size and nature of the Company. As the Company grows, the Directors intend that the Company should develop policies and procedures, which reflect the principles of good governance and Code of Best Practice, as published by the Committee on Good Governance (commonly known as the "Combined Code"), to the extent that they are appropriate to the size of the Company.

The Directors (including members of their family and connected persons) will comply with Paragraphs 46 and 72 and Appendix 3 of the PLUS Rules relating to Directors' Dealings and will take all reasonable steps to ensure compliance by the Company's applicable employees as well.

At present, due to the Company's size, the risk and audit management will be addressed by the Board. As the Company grows, the Board will consider establishing an audit and risk management committee.

Admission to PLUS

The share capital of the Company is not presently listed or dealt in on any stock exchange. An application will be made for the Company's issued Ordinary Shares to be traded on PLUS. Dealings in the Ordinary Shares are expected to commence on or around 28 April 2011. It is emphasised that no application is being made for the admission of these securities to trading on AIM, or the Official List or on the PLUS-listed Market.

The Company has undertaken that it has entered into appropriate arrangements with one or more Primary Information Providers approved by the Financial Services Authority to disseminate regulatory information to the market. This information is currently distributed by Bloomberg, Thomson Financial, Reuters, Telekurs, ADVFN and FT Interactive Data Europe. It is also available to private investors through the Internet at www.plusmarketsgroup.com and via other licensed Internet vendors.

Any individual wishing to buy or sell PLUS-quoted shares, must trade through a stockbroker regulated by the FSA, as the market cannot deal directly with the public.

Your attention is draw to the Risk Factors set out in Part II of this Document.

Details of the Placing

The Company is proposing to issue 250,000,000 Placing Shares at 0.3p per Placing Share pursuant to the Placing to raise £750,000 before expenses. Applications have been received from Placees in respect of all the Placing Shares.

The Placing, which has not been underwritten or guaranteed, is conditional, inter alia, on Admission. The Placing Shares will rank, on issue, pari passu in all respects with the existing issued Ordinary Shares of the Company.

Admission is expected to be effective and dealings in the Ordinary Shares (including the Placing Shares) on PLUS are expected to commence on 28 April 2011.

Reasons for the Placing and Admission

The Placing will raise approximately £705,000 for the Company net of expenses. The proceeds of the Placing will be used by the Company to research, identify and carry out due diligence on potential acquisitions and investments, to provide initial working capital, and towards the funding of acquisitions and investments in line with the Company's acquisition and investment strategy.

The Directors consider that the benefits of the Placing and Admission include:

- The ability to enter into transactions with companies, to whom the issue of publicly traded shares as consideration is potentially attractive.
- The increased potential to raise further funds in the future, either to raise additional working capital or development capital for the Company, enable a proposed acquisition or investment to be completed and/or to raise additional working capital or development capital for the Company once the acquisition or investment has been completed.
- The increased potential to attract high quality directors and employees by offering share options at some time in the future. The Directors believe that the ability to grant options over PLUS traded shares is potentially more attractive to directors and employees than the grant of options over unquoted shares.

The Directors also believe that the principal benefits of the Admission are the ability to heighten the Company's profile whilst also broadening the Company's investor base.

The Directors are of the opinion that the Company has sufficient funds necessary for the Company to carry out its business plan and identify and carry out due diligence on potential acquisition and investment targets and to provide working capital for the Company's initial operations in line with its corporate strategy as set out in this Document.

The Company will use the funds available for working capital and administration purposes and towards the funding to provide the investment required to fulfil its business.

Lock-in Arrangements

On Admission, the interests of the Directors in the share capital of the Company will be as set out in paragraphs 3.4 and 3.5 of Part V of this Document.

Each of the Directors, shareholders and others listed in paragraphs 9.3 and 9.4 of Part V has undertaken to the Company and to Alfred Henry, in accordance with paragraph 22 of Appendix 1 of the PLUS Rules, that they will not during a period of twelve months from the date of Admission, dispose of any interest in Ordinary Shares held by them.

Share Dealing Code

The Company has adopted, and will operate where applicable, a share dealing code for directors and senior executives under the same terms as the Model Code on directors dealings in securities, published from time to time by the UK Listing Authority.

Dividend Policy

The Company has not yet commenced trading and the Directors consider that it would not be appropriate to indicate any likely level of future dividends until the Company's business has been established and developed.

CREST

The Company's Articles permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 2001. Application has been made for the Ordinary Shares to be admitted to CREST upon start of trading on PLUS.

Taxation

The issue of Ordinary Shares will not rank as a qualifying investment for the purposes of the Enterprise Investment Scheme nor be a "qualifying holding" for the purposes of investment by Venture Capital Trusts.

Information regarding taxation in relation to the Admission to PLUS is set out in paragraph 11 of Part V of this Document. If you are in any doubt as to your tax position you should consult your own professional adviser immediately.

Risk Factors

Your attention is drawn to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before making a decision to invest in the Company.

PART II

RISK FACTORS

The attention of potential investors is drawn to the fact that the purchase of Ordinary Shares in the Company involves a variety of risks. Investors should be aware of the risks associated with an investment in a business in the early stages of development. All potential investors should carefully consider the entire contents of this Document, including, but not limited to, the risk factors described below before deciding whether to invest in the Company. The risks noted below do not necessarily comprise all those potentially faced by the Company and are not intended to be presented in any assumed order of priority. Potential investors should also consider additional risk factors relevant to their particular circumstances.

If any of the events described in the following risks actually occur, the Company's business, financial conditions, results or future operations could be adversely affected. In such a case, the price of the Company's Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company:

- That whilst the Company has enough funds for working capital purposes it is likely the Company will need to raise further funds in the future, either to complete a proposed investment or to raise further working or development capital either through debt, the exercise of existing warrants or the issue of new equity. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares and Shareholders may be materially diluted by any further issue of ordinary shares by the Company;
- An acquisition by the Company of a significant interest would most likely be considered a reverse takeover for the purposes of the PLUS Rules, and where applicable the Takeover Code. The costs of a reverse are significant and the Company would potentially need to raise further funds to meet the whole or some of the costs of the reverse. However the Company would look to mitigate costs and the need to raise significant sums via the issuance of further new Ordinary Shares as part of the consideration of the transaction;
- The rare earth and precious metals sector is a highly competitive market and many of the competitors will have greater financial and other resources than the Company and as a result may be in a better position to compete for opportunities. There can be no assurances that the Company can or will be able to compete effectively;
- The market for rare earth and precious metals is uncertain. The Company may be unable to produce enough revenue to be or remain profitable if the demand for rare earth and precious metals products is inadequate. In addition, in certain markets and geographic regions the Company may target, there may not be sufficient demand or such demand may be slow to emerge. In general, there are numerous factors that contribute to whether demand for rare earth and precious metals products will continue to grow.
- The exploration for and development of rare earth and precious metals deposits involves significant uncertainties and the Company's operations will be subject to all of the hazards and risks normally encountered in such activities. These hazards and risks include unusual and unexpected geological formations, rock falls, storms and other climatic conditions, any one of which could result in damage to, or destruction of, the Company's facilities, damage to life or property, environmental damage or pollution and legal liability which could have a material adverse impact on the business, operations and financial performance of the Company. Although precautions to minimise risk will be taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. As is common with all exploratory operations, there is also uncertainty and therefore risk associated with the Company's operating parameters and costs. These can be difficult to predict and are often affected by factors

outside the Company's control. Few properties which are explored are ultimately developed into producing assets. There can be no guarantee that the estimates of quantities and grades of resources disclosed will be available to extract or able to be extracted commercially. With all natural resources operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Natural resources exploration is speculative in nature and there can be no assurance that any potential deposits discovered will result in an increase in the Company's reserve base.

- The exploration and extraction activities of the Company are subject to various laws governing prospecting, development, production, the protection of the environment, taxes, labour standards and occupational health, site safety, toxic substances and other matters. Although the Directors believe that the Company's exploration, production and development activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development. Environmental laws, regulations and regulatory initiatives are significant drivers for opportunities in the rare minerals sector and can fundamentally alter the basis for the performance of companies operating in the sector.
- The market price of rare earth and other precious metals is volatile and is affected by numerous factors which are beyond the Company's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in rare earth and other precious metals market prices could render less economic, or uneconomic, exploration and/or extraction activities to be undertaken by the Company
- Certain natural resources projects involve high capital costs and associated risks. Unless such projects enjoy long term returns, their profitability will be uncertain resulting in potentially high investment risk;
- The success of the Company depends largely upon the expertise of the current directors and their ability to identify suitable acquisition and/or investment opportunities in the rare minerals industry and implement the Company's strategy. The loss of one or other of the key directors could have an adverse effect on the Company;
- The Company's future success will also depend, inter alia, on its future directors and management team. The recruitment of suitable skilled Directors and retention of their services or the services of any future management team cannot be guaranteed;
- African and Asian territories experience varying degrees of political instability. There can be no assurance that political stability will continue in those countries where the Company in the future may have operations. In the event of political instability or changes in government policies in those countries where the Company may operate, the operations and financial condition of the Company could be adversely affected;
- In common with other early stage emerging market economies, many African and Asian countries are dependent on sale proceeds from primary commodity production which are subject to fluctuations in world commodity prices. In general, these economies have also experienced devaluations, high inflation and high interest rates. All these economic risks may from time to time adversely affect the Company's operations;
- Some of the countries in which the Company may operate have maintained strict controls on access to foreign currency and the repatriation of funds. Although exchange control restrictions have been substantially relaxed in recent years, there can be no assurance that they will not be reintroduced;

- The geographic locations of the Company's future operations may present logistical difficulties in the installation, operation and maintenance of equipment related to the operations of the business. Any interruption to the working status of such equipment could have a material adverse effect on the business, financial condition and results of operations of the Company;
- The value of the Ordinary Shares will depend, to a significant degree, on the Company's ability to identify and make suitable acquisitions in a reasonable timeframe and the success of those acquisitions. The Directors intend that appropriate due diligence be carried out by the Company on potential acquisitions, but there is an inherent risk in acquiring prospects or companies, which could adversely affect the value of the Ordinary Shares;
- The Company has no established trading record and does not presently carry on any trading activities. The value of an investment in the Company is dependent inter alia upon the Company acquiring a prospect or company that meets the Company's corporate strategy. There can be no guarantee that the Company will acquire or invest in any prospect or company which meets the Company's criteria or that any such prospect or company acquired will be or achieve significant or sustainable value as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence;
- The Ordinary Shares are not listed or traded on any stock exchange. Notwithstanding the fact that an application will be made for the Ordinary Share to be quoted through PLUS this should not be taken as implying that there will be a 'liquid' market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment or sustain a total loss of their investment;
- The Company has made an application for its Ordinary Shares to be quoted on PLUS-quoted. PLUS-quoted is a market designed for small and growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. PLUS-quoted is not AIM or the Official List and consequently it may be more difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid. The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets or operations. The bid-offer spread of the Ordinary Shares can be significant;
- It may be difficult to trade in the Ordinary Shares, which are classed as "penny shares" under FSA rules. The share prices of public companies are often subject to significant fluctuations. In particular, the market for shares in smaller public companies is typically less liquid than for larger public companies. Consequently, the Company's share price may be subject to greater fluctuation and the Ordinary Shares may be difficult to sell. The Ordinary Shares are intended for capital growth and therefore may not be suitable as a short-term investment. Investors may therefore not realise their original investment at all, or within the time-frame they had originally anticipated;
- Any changes to the market trading environment, in particular to the PLUS Rules could for example, affect the ability of the Company to maintain a trading facility on PLUS-quoted;
- Past performance is no indication of future performance. Prospective investors should be aware that the value of an investment in the Company 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. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their investment;
- The share price of quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their ordinary shares may be influenced by a large number of factors, some of

which are specific to the Company and its operations and some of which may affect quoted companies generally. These factors include, without limitation, the performance of the Company, large purchases or sales of ordinary shares by other investors, legislative changes and general economic, political or regulatory conditions, and other factors which are outside of the control of the Company;

- Stock market conditions, may affect the ultimate value of the Company's share price regardless of future operating performance; and
- Continued membership of PLUS is entirely at the discretion of PLUS Stock Exchange plc.

Investment in the Company's Ordinary Shares may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an adviser authorised under the FSMA who specialises in investments of this nature before making their decision to invest.

PART III

FINANCIAL INFORMATION ON RARE MINERALS PLC

28 April 2011

**The Directors
Rare Minerals Plc
145-147 St John's Street
London EC1V 4PY**

and

**The Directors
Alfred Henry Corporate Finance Limited
Finsgate
5-7 Cranwood Street
London EC1V 9EE**

Dear Sirs,

Rare Minerals Plc ("Company")

Introduction

We report in connection with the placing and admission (Admission Document) of the Company to PLUS-quoted referred to in the admission document dated 28 April 2011.

We report on the financial information set out below relating to Rare Minerals Plc. The financial information has been prepared for inclusion in the Admission Document dated 28 April 2011.

The Company was incorporated as Charzor Limited on 18 January 2011, with the registered number 7496976. The name of the company was changed to Rare Minerals Limited on 20 January 2011 and by special resolution dated 15 February 2011 the Company was converted to a public limited company.

The issued share capital of the Company on incorporation was £1 comprising 1 ordinary shares of £1. By written resolution passed on 7 February 2011, the 1 issued Ordinary Share was subdivided into 10,000 Ordinary Shares of 0.01p each.

On 7 February 2011 the Company issued for cash consideration 1,649,990,000 Ordinary Shares at an issue price of 0.01p per share.

The Company has not traded, paid dividends or made any other distribution since incorporation.

Basis of preparation

The financial information set out in Sections 1 to 3 is based on audited dormant financial statements of the Company for the period ended 8 February 2011 ("the Relevant Period") on the basis described in Note 3, to which no adjustments were considered necessary.

A non-statutory audit was prepared for the Company for the period from 18 January 2011 to 8 February 2011. Audited financial statements have not been prepared in respect of any period subsequent to this.

The financial statements for the Relevant Period did not include statements of cash flows in

accordance with Financial Reporting Standard No. 1 as the Company was exempt from the requirement to do so. The Statements of Cash Flows included in this report have therefore been specifically prepared for inclusion in this report.

Responsibility

Such financial statements are the responsibility of the Directors of the Company. The Directors of the Company are responsible for the contents of the Admission Document dated 28 April 2011 in which this report is included. It is our responsibility as reporting accountants to compile the financial information set out in our report from the financial statements, to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Statement of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously recorded by us relating to the audit of the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed.

We planned and performed our examination so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the information contained in our report is free from material misstatement, whether caused by fraud, other irregularity or error.

Opinion

In our opinion the financial information gives, for the purposes of the Admission Document, a true and fair view of the results of the Company for the period ended 8 February 2011 and of the state of affairs of the Company at the end of the period.

BALANCE SHEET	Notes	As at 8 February 2011 £
Current assets		
Cash at bank and in hand		<u>165,000</u>
Capital and reserves		
Called up share capital	2	<u>165,000</u>

Notes to the financial statements

1. ACCOUNTING POLICIES

The principal accounting policies which have been consistently applied in the Company's financial information throughout the period under review, are as follows:

Basis of accounting

The financial information has been prepared under the historical cost convention and in accordance with accounting standards in the United Kingdom.

2. Share capital

	As at 8 February 2011 £
Issued and fully paid:	
1,650,000,000 ordinary shares of 0.01p each	<u>165,000</u>

On the date of incorporation, 1 Ordinary Share of £1 was issued. By written resolution passed on 7 February 2011, the 1 issued Ordinary Share was subdivided into 10,000 Ordinary Shares of 0.01p each. On 7 February 2011 the Company issued for cash consideration 1,649,990,000 Ordinary Shares at an issue price of 0.01p per share.

On 7 February 2011, the Company granted the following Warrants to subscribe for new Ordinary Shares at a price of 0.01p per share, exercisable at any time up to 31 March 2016.

Name of warrant holder	Number warrants issued
W B Nominees Ltd	75,000,000
Shane Moloney	75,000,000
Cantor Fitzgerald Europe	700,000,000
Grandinex International Corp	800,000,000

3. Nature of financial information

The financial information presented above in respect of the period ended 8 February 2011 does not constitute statutory accounts for that period.

4. Auditors

The auditors during this period were Jeffrey's Henry LLP whose address is Finsgate, 5-7 Cranwood Street, London EC1V 9EE.

Yours faithfully

FRENCH DUNCAN LLP
Chartered Accountants

PART IV

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro forma statement of net assets based on the net assets of Rare Minerals plc. This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of the Placing and other share allotments as if they had occurred on 8 February 2011.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of the Company.

Unaudited pro forma statement of net assets as at 8 February 2011

	<i>Rare minerals plc as at 8 February 2011 Note (1) £000s</i>	<i>Adjustment Notes (2 & 3) £000s</i>	<i>Pro forma net assets of the Company £000s</i>
Current assets			
Cash and cash equivalents	165,000	955,000	1,120,000
Net assets	<u>165,000</u>	<u>955,000</u>	<u>1,120,000</u>

Notes:

1. The financial information in respect of the Company as at 8 February 2011 has been extracted, without adjustment, from the audited annual financial statements as at that date, as set out in Part III of this document.
2. The pro forma net asset statement has been prepared on the basis that the share allotment of 250,000,000 Ordinary Shares which is conditional on Admission, for cash consideration, at an issue price of 0.1p per share took place on 8 February 2011.
3. The pro forma net asset statement has been prepared on the basis that the Placing took place on 8 February 2011 and the placing net of expenses raised £705,000.
4. The pro forma financial information does not constitute statutory accounts within the meaning of section 434 of the Act.
5. Apart from the above, no other adjustments have been made to reflect any changes in working capital or other movements since 8 February 2011 for the Company.

28 April 2011

**The Directors
Rare Minerals Plc
145-147 St John's Street
London EC1V 4PY**

and

**The Directors
Alfred Henry Corporate Finance Limited
Finsgate
5-7 Cranwood Street
London EC1V 9EE**

Dear Sirs,

Rare Minerals Plc (“Company”)

We report on the unaudited pro forma statement of net assets (the “Proforma financial information”) set out in Part IV of the PLUS admission document of the Company dated 28 April 2011 (the “Admission Document”), which has been prepared on the basis described in the notes thereto, for illustrative purposes only, to provide information about how the Placing might have affected the financial information presented on the basis of the accounting policies to be adopted by the Company in preparing the financial statements for the period ending 8 February 2011.

Responsibilities

This report is required as agreed between us in writing and is given for the purpose of complying with that requirement and for no other purpose.

Save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement consenting to its inclusion in this Admission Document.

It is the responsibility of the Directors of the Company to prepare the Pro forma financial information as though it had been prepared in accordance with paragraph 20.2 of Annex I of the PD Regulation.

It is our responsibility to form an opinion as though it had been required by paragraph 7 of Annex II of the PD Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma

financial information with the Directors of the Company.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- a) the Pro forma financial information has been properly compiled on the basis stated; and
- b) such basis is consistent with the accounting policies to be adopted by Company.

Declaration

For the purposes of the PLUS Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

FRENCH DUNCAN LLP
Chartered Accountants

PART V

ADDITIONAL INFORMATION

1 RESPONSIBILITY

The Company and the Directors (whose names appear on page 3 herein) accept responsibility, both individually and collectively, for the information contained in this Document, and for compliance with the PLUS Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there are no other facts which, if omitted, would effect the import of such information. All Directors accept responsibility accordingly.

2 INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 18 January 2011 as a private limited company with the name of Charzor Limited and with registered number 7496976. The name of the company was changed to Rare Minerals Limited on 20 January 2011 and by special resolution dated 11 February 2011 the Company was converted to a public limited company and changed its name to Rare Minerals plc on 15 February 2011.
- 2.2 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 2.3 The liability of the members of the Company is limited.
- 2.4 The registered office of the Company is at 145-147 St John's Street, London, EC1V 4PY. The Company is domiciled in England & Wales. The Company's telephone no. is 020 7245 1100.
- 2.5 International Registrars Limited were appointed company secretary of the Company on 18 January 2011.
- 2.6 The accounting reference date of the Company is currently 31 December.
- 2.7 The Company has no subsidiary or associated undertakings.

3 SHARE CAPITAL

- 3.1 On the date of incorporation, one Ordinary Share of £1 was issued to Mr Nicholas Nelson.
- 3.2 By written resolution passed on 7 February 2011, the one issued Ordinary Share was subdivided into 10,000 Ordinary Shares of 0.01p each.
- 3.3 On 7 February 2011, Mr Nicholas Nelson transferred his entire holding of 10,000 Ordinary Shares of 0.01p each to W B Nominees Limited.
- 3.4 On 7 February 2011, the Company issued for cash consideration the following Ordinary Shares at an issue price of 0.01p per share:-

Name of allottee	Number Ordinary shares issued
W B Nominees Limited*	74,990,000

Shane Moloney	75,000,000
Cantor Fitzgerald Europe **	700,000,000
Grandinex International Corp ***	800,000,000
Total	1,649,990,000

* Nicholas Nelson is the beneficiary of the SIPP trust of which IPM SIPP Administration Limited is a trustee. The SIPP trust holds its shares in the Company through W B Nominees Limited.

** Christopher Potts has a form of contract for difference interest in 700,000,000 Ordinary Shares which corresponds to that number of Ordinary Shares that are held by Cantor Fitzgerald Europe. This arrangement does not give Mr Potts any rights to exercise the votes attaching to the Ordinary Shares in the Company, whether held by Cantor Fitzgerald Europe or otherwise, nor does Mr Potts have any rights to acquire these Ordinary Shares or to require Cantor Fitzgerald Europe to dispose of any of the Ordinary Shares. Cantor Fitzgerald Europe would commonly sell sufficient of the Ordinary Shares that it holds to realise value in order to meet its obligations under the corresponding arrangement entered into by Mr Potts.

*** The beneficial owner of Grandinex International Corp is Frank Scolaro.

- 3.5 On 7 February 2011, the Company granted the following Warrants to subscribe at an exercise price of 0.01p per share, exercisable at any time up to 31 March 2016.

Name of warrant holder	Number warrants issued
W.B. Nominees Ltd.	75,000,000
Shane Moloney	75,000,000
Cantor Fitzgerald Europe**	700,000,000
Grandinex International Corp ***	800,000,000

* Nicholas Nelson is the beneficiary of the SIPP trust of which IPM SIPP Administration Limited is a trustee. The SIPP trust holds its warrants in the Company through W B Nominees Limited.

** Christopher Potts has, in addition to that referred to in the note to paragraph 3.4 above, a form of contract for difference interest in a further 700,000,000 Ordinary Shares which corresponds to the number of Ordinary Shares that are to be issued under the Warrants held by Cantor Fitzgerald Europe. This arrangement does not give Mr Potts any rights to require Cantor Fitzgerald Europe to exercise the Warrants or to acquire the Warrants or the Ordinary Shares issued under the Warrants or to require Cantor Fitzgerald Europe to dispose of any of the Warrants or Ordinary Shares. Cantor Fitzgerald Europe would commonly sell sufficient of the Ordinary Shares issued under the Warrants to realise value in order to meet its obligations under the corresponding arrangements entered into by Mr Potts.

*** The beneficial owner of Grandinex International Corp is Frank Scolaro.

- 3.6 On 21 February 2011, the Company had received subscriptions for 250,000,000 Ordinary Shares at an issue price of 0.1p per share from investors who had paid the cash consideration on account and the Ordinary Shares subscribed for are to be issued on and subject to Admission occurring before 30 April 2011.
- 3.7 Section 561(1) of the Act gives the Company's shareholders pre-emption rights on any new issue of equity securities (as defined in section 560 of the Act) for cash by the Company except for issues of shares under an employee share scheme, to the extent that such pre-emption rights have not been disapplied by a special resolution passed pursuant to Section 569(1) of the Act.
- 3.8 On 21 April 2011, the members of the Company then passed an ordinary resolution authorising the Directors to allot shares or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate amount of £2,000,000 provided that this authority shall, unless renewed by the Company, expire on 31 December 2012, or if earlier the date of the next Annual General Meeting of the Company, provided that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. By special resolution on the same day, the Directors were empowered to allot equity securities (as defined in section 560 of the Act) in connection with the authority to allot equity securities, as if section 561(1) of the Act did not apply to any such allotment.
- 3.9 The Ordinary Shares will rank pari passu in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this document.
- 3.10 Following Admission, the Ordinary Shares may be held in either certificated or uncertificated form.
- 3.11 Save as disclosed in this Document:
- No share or loan capital of the Company has been issued or is proposed to be issued;
 - No person has any preferential subscription rights for any share capital of the Company;
 - No share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- 3.12 The issued share capital of the Company at the date of this Document and following the Placing and Admission will be as follows:-

	<i>At the date of this document Issued and fully paid share capital</i>		<i>Following Placing and Admission Issued and fully paid share capital</i>	
	<i>Number</i>	<i>Amount £</i>	<i>Number</i>	<i>Amount £</i>
Ordinary Shares	1,650,000,000	165,000	2,150,000,000	215,000

- 3.13 On completion of the Placing, holders of existing Ordinary Shares will suffer a dilution of 11.63 per cent. in their interests in the Company.
- 3.14 Except as disclosed in this document, the Company does not have in issue any securities not representing share capital, and none of the Company's shares are held by or on behalf of the Company itself.
- 3.15 There are no acquisition rights or obligations over authorised but unissued capital, nor is there an undertaking to increase the Company's share capital.
- 3.16 Save as otherwise provided in paragraph 3.5 of this Part V, there are no convertible securities, exchangeable securities or securities with warrants issued by the Company.
- 3.17 Save as disclosed in this document, no share or loan capital of the Company is proposed to be issued or is under option or is the subject of an agreement, conditional or unconditional, to be put under option.
- 3.18 A shareholder is required pursuant to Part 22 of the Act to notify the Company when he acquires or disposes of a material interest in shares in the capital of the Company equal to or in excess of 3 per cent. of the nominal value of that share capital (and thereafter any whole percentage change in such interests).
- 3.19 The Ordinary Shares will be subject to the City Code on Takeovers and Mergers (the "Takeover Code"). Under Rule 9 of the Takeover Code ("Rule 9") where (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested), carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the company subject to the Takeover Code but does not hold shares carrying more than 50 per cent. of such voting rights and such a person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, that person is normally obliged to make a general offer to all shareholders to purchase in cash their shares at the highest price paid by him or any person acting in concert with him within the preceding 12 months.
- 3.20 Under the Act, if an offeror were to acquire or contract to acquire 90 per cent. of the Ordinary Shares to which the offer relates within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.
- 3.21 The Act also gives minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any shareholder

notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

4 SUMMARY OF THE CONSTITUTION OF THE COMPANY

A summary of the terms of the Articles of Association of the Company is set out below. The summary below is not a complete copy of the terms of the Articles of Association of the Company.

4.1 At the Company's General Meeting held on 11 February 2011 the Company was re-registered as a public company and adopted new articles of association applicable to a public company limited by shares, incorporating various amendments to reflect the changes in company law brought about by the Act, which came into effect on 1 October 2009, and by the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations"), which came into effect on 3 August 2009 and which amended the provisions of the Act in relation to certain rights of shareholders at meetings of the Company. Under the Act, as from 1 October 2009, all provisions of the Company's memorandum of association are deemed to form part of the Company's articles of association including, in particular, the statement of objects and the statement of authorised share capital. The Act does not require a company to set out its objects. It provides that, unless the articles of association state otherwise, a company's objects will be unrestricted. The Act also removes the requirement for a company to have an authorised share capital.

4.2 The Articles of Association of the Company as adopted by special resolution on 11 February 2011 (the "**Articles**") contain, inter alia, provisions to the following effect:

4.2.1 *Voting Rights*

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (as to which there are none at present), on a show of hands every holder of an Ordinary Share present in person or by proxy (if an individual) or duly authorised representative (if a corporation) shall have one vote, and on a poll every holder of an Ordinary Share shall have one vote for each Ordinary Share of which he is the holder.

Unless the Directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act and the Articles.

4.2.2 *Variation of rights*

If at any time the capital of the Company is divided into different classes of shares, none of the rights, privileges or conditions for the time being attached to or belonging to any class of shares forming part of the issued share capital for the time being of the Company shall be modified, varied or abrogated in any manner except with the consent in writing of the holders of three fourths in nominal value of the issued shares of the class or, subject to the provisions of the Act, the sanction of a special resolution passed at a separate meeting of the members of that class but not

otherwise.

4.2.3 *Dividends*

Subject to the provisions of the Act and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the Directors. Subject to the provisions of the Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on Ordinary Shares in such amounts as and when they see fit. A member will not be entitled to receive any dividend if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act. Interim dividends may be paid if profits are available for distribution and if the Directors so resolve. Subject to the provisions set out in the Articles, the Directors may resolve to issue script dividends.

Any dividend unclaimed after a period of 12 years from the date of its declaration shall, if the Directors so resolve, shall be forfeited and will revert to the Company.

4.2.4 *Untraceable members*

Subject to various notice requirements, the Company may sell any shares of a shareholder if, during a period of 12 years, at least three dividend payments on those shares have become payable and the cheques or warrants have remained uncashed and on or after the expiry of that period of 12 years, the Company has published advertisements both in an international newspaper and in a newspaper circulating in the area of the last known address of the shareholder and the Company has received no indication of the existence of such shareholder during such period. Notice of the intention to sell must also be given to the corporate adviser of the Company for the time being.

4.2.5 *Return of capital on winding up*

On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by the Act, be divided amongst the members.

4.2.6 *Power to issue shares*

Subject to the Statutes (as defined in the Articles) and to the authority of the company in General Meeting required by the Statutes, the Directors may allot, grant options over, offer or otherwise deal with or dispose of any share of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine. The Directors may not issue any relevant securities unless authorised to do so by an ordinary resolution of the Company and relevant securities may not be allotted for cash unless authorised to do so by a special resolution of the Company. Any such resolution shall state the maximum amount of relevant securities that can be allotted under it and shall also state the date on which such authority shall expire. Any authority must not be for more than five years from the date on which the resolution is passed.

4.2.7 *Restrictions on transferability of share*

Subject to the provisions of the Articles relating to CREST, in order to

transfer Ordinary Shares, all transfers must be in any usual form or in such other form which the Directors may approve, and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.

The Directors may, in their absolute discretion and without assigning any reason (but must provide the transferee with a notice of the refusal within two months), refuse to register the transfer of a share if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Act. The Directors may also decline to register any instrument of transfer unless (i) it is in respect of only one class of share; (ii) it is lodged with the Company, together with the relevant share certificate(s); and (iii) it is in favour of not more than four transferees jointly in respect of a single transfer.

Notwithstanding any other provision of the Articles the Directors may (in their absolute discretion and without given any reason therefor) refuse to register any transfer of a share to a "Prohibited Person" (being, inter alia, a person who, by virtue of his holding, may, in the opinion of the Board, cause or be likely to cause the Company and/or Shareholders some regulatory, pecuniary, legal or material administrative disadvantage that might not otherwise be suffered or incurred). If any transferee is a Prohibited Person or the Board otherwise determines that the holding of shares by such transferee would be in breach of any relevant legal or regulatory requirement or would subject the Company to any adverse legal, regulatory or taxation consequences or the Board otherwise determines (in its sole discretion and without being obliged to provide its reasons thereof) that such holding is not in the Company's interest, the Company may direct such transferee to sell his shares to a person who is not a Prohibited Person within thirty clear days of the notice of refusal.

In exceptional circumstances approved by the corporate adviser of the Company, the Directors may refuse to register any such transfer, provided that their refusal does not disturb the market.

The Articles contain no other restrictions on the free transferability of fully paid ordinary shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the Articles, if any, relating to registration of transfers have been complied with.

4.2.8 *Notifiable interest in holdings of shares*

A person is required by law to notify the Company if he has a "notifiable interest" in holdings of three per cent. or more of the Company's total voting rights and capital in issue. The obligation also arises if such holdings change to reach, exceed or fall below every one per cent. increment above three per cent. of the Company's total voting rights and capital in issue. "Notifiable interests" in this context include both direct and indirect interests in the voting rights of the Company, and financial instruments which give the holder the formal entitlement to acquire shares with voting rights attached. The obligations to notify the Company as aforesaid are subject to certain exceptions set out in the Disclosure and Transparency Rules published by the FSA.

4.2.9 *Alteration of share capital*

The Company may by ordinary resolution cancel any unissued shares, consolidate all or any of its share capital into shares of larger amount and, subject to the provisions of the Statutes, subdivide its shares into shares of smaller amount. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

4.2.10 *Purchase by the Company of its own shares*

Subject to the provisions of the Act and to the authority of the Company in general meeting required by the Act, the Company may purchase its own shares.

4.2.11 *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow upon such terms and in such manner as they think fit and, subject to the provisions of the Act, to grant any mortgage, charge or debentures, debenture stock or other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

4.2.12 *Board of Directors*

No shareholding qualification is required by a Director. Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall be not less than two but not more than eight. The Directors shall not require a share qualification, but shall nevertheless be entitled to attend and speak at any general meetings of the Company.

The Company may by ordinary resolution appoint any person to be a Director or may by ordinary resolution remove any director.

Subject to the provisions of the Articles, at the annual general meeting of the Company in each year, one-third of the Directors for the time being shall retire from office by rotation. The Directors to retire by rotation on each occasion shall be those directors that have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot. In addition, any director who would not otherwise be required to retire, shall retire by rotation at the third annual general meeting after his last appointment or reappointment.

The Directors shall have the power at any time to appoint any person as a director, either to fill a casual vacancy or as an additional director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. Any Director so appointed shall retire at the next annual general meeting but shall then be eligible for election and any director who so retires shall not be taken into account in determining the number of directors who are to retire by rotation.

Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit.

4.2.13 *Disclosure of Interests in Contracts*

Any Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of director

and, subject to Section 188 of the Act, on such terms as to remuneration and otherwise as the Board shall arrange.

Any Director may continue to be or become a Director, managing director, manager, executive or other officer or member of any other company or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate in which the Company may be interested as shareholder or otherwise or any parent undertaking or subsidiary undertaking of any parent undertaking of the Company, and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager, executive or other officer or member of any such other company which derive from any such office or employment or from any contract, transaction, or arrangement with or from his membership or interest in such other body corporate or undertaking. No such office, employment, contract, transaction or arrangement or interest shall be liable to be avoided on the ground of any such interest or benefit.

The Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors, managing directors, managers, executives or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a Director, managing director, manager, executive or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

Subject to the provision of the Statutes (as defined in the Articles), no Director or intending Director shall be disqualified by his office from contracting with the Company (or otherwise entering into any arrangement, transaction or proposal with the Company) either as vendor, purchaser or otherwise nor, subject to the interest of the Director concerned being duly declared as required by Articles 94 of the Articles, shall any such contract or arrangement, transaction or proposal or any contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director shall be in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit, remuneration or other benefit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) on any resolution including:

- (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he (together with any person connected with him) is not the holder or beneficially interested in one per cent or more of any class of shares (excluding any shares held as treasury shares) or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of HM Revenue & Customs for taxation purposes or which does not accord to any Director as such any privilege or benefit not accorded to the employees to which the scheme or fund relate;
- (vi) any contract, arrangement or proposal for the benefit of employees of the group under which the Director benefits in a similar manner as the employees or which does not accord to any Director as such any privilege or benefit not accorded to the employees to which the scheme or fund relates; and
- (vii) any proposal concerning insurance which the Company proposes to maintaining or purchase for the benefit of Directors or for the benefit persons including Directors.

Subject to and only to the extent permitted by the Act, the Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise:-

- (i) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
- (ii) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of Article 95.6.1 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises, provided that the authorisation is only effective if:-
 - (a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director, and

- (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of Article 95 of the Articles.

4.2.14 *Remuneration and other Compensation of Directors*

The Directors shall determine the remuneration of the Directors. The Directors shall be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination of the two. The Directors may also by resolution approve additional remuneration to any Director for any services other than his ordinary routine work as a director.

There shall be available to be paid out of the funds of the Company to the Directors as fees for their services as Directors (excluding amounts payable under any other provisions in the Articles and the remuneration of any Managing Director or Director holding executive office) in each year such sums as the Board may determine from time to time not exceeding an aggregate sum of £200,000 or such other higher amount as sanctioned by ordinary resolution of the Company.

The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be two if there are two or more directors, and shall be one if there is only one Director.

4.2.15 *General Meetings*

The Company shall in each year hold a general meeting as its annual general meeting. The annual general meetings shall be held at such time and place as the directors shall determine.

The Directors may, (in addition) call a general meeting other than the annual general meeting and shall, upon a shareholders' requisition convene an extraordinary general meeting. A shareholders' requisition is a requisition of shareholders of the Company holding at the date of deposit of the requisition not less than five per cent. in par value of the capital of the Company as at that date that carries the right of voting at general meetings of the Company.

At the least 21 days' notice shall be given of any annual general meeting and at least 14 clear days' notice shall be given in respect of any other general meeting of the Company to those members who under the provisions of the Articles or under the rights attached to the shares held by them are entitled to receive the notice, and to the auditors. The notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted at the meeting.

Subject to the provisions of the Act, a resolution may be put to a vote at a general meeting of the Company or any class of shareholders only if (i) it is proposed by or at the direction of the Directors; (ii) it is proposed at the direction of the court; (iii) it is proposed on the requisition in writing of such number of shareholders as is prescribed by, and is made in accordance with, the relevant provisions of the Act; or (iv) the chairman of the meeting, in his absolute discretion, decides that the resolution may properly be put to a vote at that meeting.

No business shall be transacted at any general meeting unless a quorum is present. Two shareholders being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative shall be a quorum unless the Company has only one shareholder entitled to vote at such general meeting in which case the quorum shall be that one shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative. In the case of an equality of votes, the chairman of the Meeting shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member.

Unless a poll is demanded in accordance with Article 65 of the Articles, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

No member shall be entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.

The instrument appointing a proxy must be in writing in any usual or common form, or such other form as may be approved by the Directors, and will be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorized, or if permitted by the Directors, in electronic form in the manner and form and subject to such terms and conditions as the Directors may decide. The Directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.

5 SQUEEZE OUT RIGHTS AND SELL OUT RIGHTS

- 5.1 Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.
- 5.2 Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

6 DIRECTORS' AND OTHER INTERESTS

- 6.1 The interests of the Directors, their immediate families, civil partners (as defined in the Civil Partnership Act 2004) and persons connected with them (within the meaning of sections 252 to 254 of the Act), all of which are beneficial as at the date of this document and as expected to be immediately following the Placing and Admission are as follows:

Name	Number of Issued Ordinary Shares	% of Issued Ordinary Shares
Nicholas Nelson *	75,000,000	3.49
Shane Moloney	75,000,000	3.49

* Nicholas Nelson is the beneficiary of the SIPP trust of which IPM SIPP Administration Limited is a trustee. The SIPP trust holds its shares in the Company through W B Nominees Limited.

- 6.2 In addition, Nicholas Nelson and Shane Moloney have been granted warrants to subscribe for up to 75,000,000 Ordinary Shares each at an exercise price of 0.01p per share, exercisable at any time in the period to 31 March 2016.
- 6.3 In addition to the holdings disclosed in paragraphs 6.1 and 6.2 above, as at the date of this Document, the Company has been notified of the following holdings which will, following the Placing represent more than 3 per cent. of the issued share capital of the Company:-

Name	Number of Issued Ordinary Shares	% of Issued Ordinary Shares
Grandinex International Corp	800,000,000	37.21
Cantor Fitzgerald Europe	700,000,000	32.56
XCape Securities plc	177,440,000	8.25
Cadrela Malta Limited	133,333,333	6.20

- 6.4 The beneficial owner of Grandinex International Corp is Frank Scolaro. The beneficial owner of Cadrela Malta Limited is Benn Shepherd.
- 6.5 In addition, Grandinex International Corp and Cantor Fitzgerald Europe have been granted warrants to subscribe for up to 800,000,000 and 700,000,000 Ordinary Shares respectively at an exercise price of 0.01p per share, exercisable at any time in the period to 31 March 2016.
- 6.6 Christopher Potts has a form of contract for difference interest in 700,000,000 Ordinary Shares which corresponds to that number of Ordinary Shares that are held by Cantor Fitzgerald Europe and a further 700,000,000 Ordinary Shares that are to be issued on the exercise of the warrants held by Cantor Fitzgerald Europe. This arrangement does not give Mr Potts any rights to exercise the votes attaching to the Ordinary Shares in the Company, whether held by Cantor Fitzgerald Europe or otherwise, nor does Mr Potts have any rights to acquire these Ordinary Shares or to exercise the warrants or to require Cantor Fitzgerald Europe to dispose of any of the Ordinary Shares. Cantor Fitzgerald Europe would commonly sell sufficient of the Ordinary Shares that it holds or to be issued under the Warrants to realise value in order to meet its obligations under the corresponding arrangement entered into by Mr Potts.
- 6.7 Save as disclosed in paragraphs 6.1 to 6.6 above, as at the date of this Document, none of the Directors is aware of any interest (within the meaning of Part 22 of the Act) which will immediately following the Placing and Admission

represent 3 per cent. or more of the issued share capital of the Company or which directly or indirectly, jointly or severally, exercises or could exercise control of the Company.

- 6.8 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 6.9 Save as disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

7 DIRECTORS' LETTERS OF APPOINTMENT

- 7.1 On 3 March 2011, Nicholas Nelson entered into a letter of appointment with the Company under the terms of which he agreed to act as a director of the Company. The agreement runs for one year from Admission and is terminable thereafter by three months' notice by either party to expire at the end of that year or at any time thereafter. No salary is payable in respect of the appointment until the company enters into a transaction which qualifies as a reverse takeover when the directors may determine the rate and terms of any salary entitlement.
- 7.2 On 3 March 2011, Shane Moloney entered into a letter of appointment with the Company under the terms of which he agreed to act as a director of the Company. The appointment runs for one year from Admission and is terminable thereafter by three months' notice by either party to expire at the end of that year or at any time thereafter. No salary is payable in respect of the appointment until the company enters into a transaction which qualifies as a reverse takeover when the directors may determine the rate and terms of any salary entitlement.
- 7.3 Save as disclosed in paragraphs 7.1 and 7.2, there are no service contracts, engagement letters or other terms of services, existing or proposed, between any Director and the Company.
- 7.4 It is estimated that under arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the financial period ending 31 December 2011, will be nil on the basis that their letters of appointment do not provide for any remuneration or other fees to be paid in this period.

8 ADDITIONAL INFORMATION ON THE BOARD

- 8.1 In addition to directorships of the Company the Directors hold or have held the following directorships (including directorships of companies registered outside England and Wales) or have been partners in the following partnerships within the five years prior to the date of this Document:

Director	Current directorships:	Previous directorships:
Nicholas Christian Paul Nelson	Nexus Financial Limited dotDigital Group plc Nexfn Limited Charzor Plc	Flightstore Inflight Retailing Limited FG Employee Trustee Company Limited Vphase plc Haggie Nelson LLP
Director	Current directorships and	Previous directorships:

	partnerships:	
Shane Gerard Moloney	Orange Nominees Limited	Fiva Marketing Limited
	Shipleys LLP	Orange Corporate Finance Limited
	Game Eight (8) Limited	Newmarket Investments plc
	Big Sam (China) Limited	Dotdigital Group plc
	Sporting Heroes Cricket Limited	Ticketlamp Limited
	Sporting Heroes Golf Limited	AGN Shipleys LLP
	Cuju TV Limited	Ford Initiatives LLP
	Eirium Limited	RKT post Production Limited
	The Patrons Club Limited	Soho Media Mall Limited
	Luck of the Irish Limited	Sports Investment Limited
	JKM Property Solutions (UK) Limited	
	Vectorx Limited	
	Charzor Plc	

8.2 In 1997 a winding up order was made against Multimedia Factory (UK) Ltd, a company of which Nicholas Nelson was a director. The deficiency as regards creditors was £44,014. As the amounts due were principally directors' loans and expenses no further action was taken and the matter was closed.

8.3 Shane Moloney resigned from his non-executive directorship of XL Communications Limited on 27 Feb 1997. A receiver was appointed on 30 January 1998. The loss to creditors was about £700,000.

8.4 Save as disclosed above neither of the above Directors has:

8.4.1 any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;

8.4.2 had any bankruptcy order made against him or entered into any individual voluntary arrangements;

8.4.3 save as disclosed above, been a director of a company or been a member of the administrative management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;

8.4.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

8.4.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

8.4.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

8.4.7 been disqualified by a court from acting as a director of any company, been disqualified from acting as a member of the administrative management or supervisory bodies of a company or from acting in the management or conduct of the affairs of a company.

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the period from incorporation to the date immediately preceding the date of this Document and are, or may be, material:

- 9.1 An engagement letter dated 15 December 2010 between the Company and Alfred Henry Corporate Finance Limited ("Alfred Henry") pursuant to which the Company has agreed to pay Alfred Henry, conditional on Admission, a fee of £10,000 in respect of advising the Company on its Admission to PLUS.
- 9.2 Corporate Adviser Agreement dated 2 March 2011 between the Company (1), the Directors (2) and Alfred Henry (3) pursuant to which the Company has appointed Alfred Henry to act as Corporate Adviser to the Company for the purposes of PLUS. The Company has agreed to pay Alfred Henry, a fee of £5,000 per annum for retaining its services as Adviser following Admission. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from the date of the agreement and thereafter is subject to termination on the giving of three months' notice.
- 9.3 Lock-in Agreements dated 3 March 2011 between the Company (1) Alfred Henry (2) and each of Mr Nelson, Mr Moloney and Grandinex International Corp (3), under which, save in the event of an offer for the Company or other limited circumstances, each of Mr Nelson, Mr Moloney and Grandinex International Corp has undertaken not to dispose of any Ordinary Shares, Warrants or rights over Ordinary Shares for a period of 12 months from the date of Admission.
- 9.4 Lock-in Agreement dated 3 March 2011 the Company (1) Alfred Henry (2) and Christopher Potts (3) under which, save in the event of an offer for the Company or other limited circumstances, Mr Potts has undertaken not to exercise his contract for differences so as to cause Cantor Fitzgerald Europe to dispose of any Ordinary Shares, Warrants or rights over Ordinary Shares for a period of 12 months from the date of Admission.
- 9.5 Warrant instrument dated 7 February 2011 entered into by the Company to grant certain shareholders warrants to subscribe for up to 1,650,000 Ordinary Shares at an exercise price of 0.01p per share, exercisable at any time in the period to 31 March 2016.
- 9.6 The letters of appointments entered into between the Directors and the Company referred to at paragraph 7 of this Part V of the document.

10 LITIGATION

The Company is not involved in any legal or arbitration proceedings which may have or have had since incorporation a significant effect on the Company's financial position and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

11 UNITED KINGDOM TAXATION

The following paragraphs include advice received by the Directors about the tax position of shareholders who are resident or ordinarily resident in the UK for tax purposes and who hold their Ordinary Shares as investments and not as an asset of a financial trade. The statements below are intended only as a general guide and do not constitute advice to any shareholder on his or her personal tax position and may not apply to certain classes of investor (such as dealers or UK insurance companies). The comments are intended as a general guide and based on current legislation and H M Revenue & Customs' practice. **Any investor who is in doubt as to his or her tax position and in particular, those who are subject to taxation in a jurisdiction other than the United Kingdom, are strongly advised to consult his or her professional adviser.**

11.1 *Taxation of the Company*

The Company will be liable to UK Corporation Tax, the rate of which depends on the level of its profits. For each accounting period where the Company's taxable profits exceed the top level (currently £1,500,000) the Company will be liable to UK Corporation Tax at the current rate of 28 per cent. of its taxable profits. The limit of £1,500,000 is divided equally between the Company and any other companies associated with it at any time during the accounting period. The rates are to be reduced by 1% per annum until a rate of 24% is reached assuming current intentions are upheld.

11.2 *Taxation of Dividends*

Under current United Kingdom tax legislation, no tax is required to be withheld from dividend payments by the Company.

A UK resident shareholder who is an individual will be entitled on receipt of a dividend to a notional tax credit equal to one ninth of the net dividend (i.e. one tenth of the aggregate of the net dividend and associated tax credit).

The rate of income tax payable on such dividends by a UK individual shareholder whose total income, including the dividend and the associated tax credit, falls within the threshold for lower or basic rate tax is 10 per cent. Accordingly, the tax credit will discharge such shareholder's liability to UK income tax on the dividend. To the extent that the tax credit exceeds that shareholder's liability to UK income tax, such shareholder will not be entitled to claim payment of the excess from H M Revenue and Customs.

The rate of income tax payable on such dividends by a UK individual shareholder, whose total income, including the dividend and associated tax credit, falls within the 40% income tax band, is 32.5 per cent, which taking into account the 10 per cent. tax credit gives an effective rate of tax of 25 per cent. on the actual received dividend. For UK individuals in the 50% income tax band the effective rate is approximately 36%.

11.3 *Inheritance Tax ("IHT") Relief*

Ordinary shares in companies admitted to trading on PLUS, such as the Company, generally qualify for 100 per cent. IHT Business Property Relief provided that they have been held for two years prior to an event giving rise to a potential charge of IHT, however as the Company does not qualify as a trading company this relief will not be available. Any shareholder who has any doubts as to his IHT position should consult a professional adviser, especially before making any gift or transfer of shares.

11.4 *Capital gains tax*

A disposal of shares is generally subject to capital gains tax unless the shareholder is carrying out a share dealing trade.

Chargeable gains are taxable on individuals and trustees at a flat rate of 28% (or 18% to the extent that the individual has not fully utilized the basic rate income tax band).

11.5 *UK corporate shareholders*

A shareholder which is a UK resident company will in general not be liable to UK Corporation Tax on dividends received on its Ordinary Shares.

Chargeable gains - corporate shareholders

Companies are chargeable to corporation tax on gains but are still eligible for indexation which may reduce the chargeable gain.

11.6 *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

No UK stamp duty will be payable on the issue by the company of Ordinary Shares. Transfers of Ordinary Shares for value will generally give rise to a liability to pay UK ad Valorem stamp duty or stamp duty reserve tax at a rate in each case of 50p per £100 of the amount of value or consideration.

12 **MATERIAL CHANGE**

Save as disclosed in Part III of this Document, there has been no material change in the financial or trading position of the Company since incorporation.

13 **GENERAL**

13.1 The total costs and expenses of the Placing and Admission payable by the Company are estimated to amount to £45,000 (excluding VAT).

13.2 Save as set out herein the Company is not dependent on patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to its business.

13.3 The financial information in this Document does not comprise statutory accounts for the purpose of Section 240 of the Act.

13.4 Except as disclosed in this Document and for the advisers named on page 3 of this Document no person has received, directly or indirectly, from the Company during the twelve months preceding the date of this Document or has entered into a contractual arrangements to receive, directly or indirectly, from the Company on or after the start of the trading on PLUS, fees totalling more than £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the price or any other benefit to a value of £10,000 or more.

13.5 Except as disclosed in this Document, there are no significant investments in progress by the Company.

13.6 Except as disclosed in this Document, no exceptional factors have influenced the Company's activities.

13.7 French Duncan has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of its letters and reports set out in Part III and Part IV and references thereto and to its name in the form and context in which it appears. French Duncan also accepts responsibility for its report and has stated that it has not become aware since the date of its report of any matter affecting the validity of its report as at that date.

13.8 Alfred Henry has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears.

13.9 The Company does not have any employees.

13.10 None of the Directors, or any members of their families, has a related financial product referenced to the Ordinary Shares.

13.11 The Company does not have any interest in any property or any liability in relation to any property.

14 **WORKING CAPITAL**

In the opinion of the Directors, having made due and careful enquiry, the Company has adequate working capital which shall be sufficient for a period of twelve months following admission.

15 **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Alfred Henry, Finsgate, 5-7 Cranwood Street, London EC1V 9EE.

- 15.1 The Articles of Association of the Company;
- 15.2 The Accountants' Reports reproduced in Part III of this Document;
- 15.3 The Pro Forma reproduced in Part IV of this Document;
- 15.4 The material contracts referred to in paragraph 9 above; and
- 15.5 The letters of consent referred to in paragraphs 13.7 and 13.8 above.

Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays and public holidays excepted) from the offices of Alfred Henry Corporate Finance Limited, Finsgate, 5-7 Cranwood Street, London EC1V 9EE and shall remain available for at least one month after the date of the start of the trading on PLUS.

Dated: 28 April 2011