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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action to be taken you should, if you are a resident of the United Kingdom, consult a person authorised under the Financial Services Act 1986 or if you are a resident of Ireland consult an independent professional advisor authorised under the Investment Intermediaries Act, 1995 of Ireland or the Stock Exchange Act, 1995 of Ireland who specialises in advising on the acquisition of shares and other securities. If you were a shareholder in Crediton Minerals plc or have sold or transferred all or any of your holding in Crediton Minerals plc prior to the Record Date please send this document and the accompanying Form of Proxy and Application Form at once to the agent through whom you made the sale or transfer for transmission to the purchaser or transferee.

The Directors and the Proposed Directors of the Company, whose names appear on page 5 below accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

A copy of this document has been delivered for registration to the Registrar of Companies for England and Wales in accordance with Regulation 4(2) of the UK Public Offers of Securities Regulations 1995 ("the Regulations"). This document has been drawn up in accordance with the Regulations. A copy of this document has also been delivered in accordance with the European Communities (Transferable Securities and Stock Exchange) Regulations 1992 and the Irish Companies Acts 1963-1999 ("the Irish Regulations") to the Registrar of Companies in Ireland together with the consents and contracts referred to in paragraph 12 and 13 of Part VI respectively. This document has been drawn up in accordance with the Irish Regulations.

Davy Stockbrokers, which is regulated by the Central Bank of Ireland, is acting for the Company and no one else in connection with the Placing and Offer for Subscription and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Davy Stockbrokers or for providing advice in relation to the Placing and Offer for Subscription. Davy Stockbrokers has not authorised the contents of any part of or the issue of this document for the purposes of Regulation 13(1)(g) of the Regulations.

WH Ireland, which is regulated by the Securities and Futures Authority Limited, is acting for the Company and no one else in connection with the Placing and Offer for Subscription and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of WH Ireland or for providing advice in relation to the Placing and Offer for Subscription. WH Ireland has not authorised the contents of any part of or the issue of this document for the purposes of Regulation 13(1)(g) of the Regulations.

It is emphasised that the share capital of Crediton Minerals plc is not listed on any Stock Exchange. At the date of this document no application has been made for listings on any Stock Exchange. On 4 July, 2000, Crediton Minerals requested Ofex to suspend trading in its shares on Ofex. Application will be made for a listing of the Ordinary Shares of Crediton Minerals plc on the Alternative Investment Market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with their own independent financial advisers.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of these securities to the Official List. Further the London Stock Exchange has not itself approved the contents of this document. It is expected that dealings in Ordinary Shares will commence on AIM on 22 January, 2001.

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# CREDITON MINERALS PLC

(A PUBLIC LIMITED COMPANY INCORPORATED IN ENGLAND AND WALES UNDER THE COMPANIES ACT 1985 REGISTERED NUMBER 2882601)

## CHANGE OF NAME TO

# TIGER RESOURCE FINANCE PLC

## SALE OF ASSET

## BONUS ISSUE OF SHARES

## PROPOSED PLACING OF UP TO 75,000,000 NEW ORDINARY SHARES AT STG2p PER SHARE

## OFFER FOR SUBSCRIPTION

## EXTRAORDINARY GENERAL MEETING

## ADMISSION TO TRADING ON THE ALTERNATIVE INVESTMENT MARKET OF THE LONDON STOCK EXCHANGE

**NOMINATED ADVISER**  
**DAVY STOCKBROKERS**

**NOMINATED BROKER**  
**WH IRELAND**

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### SHARE CAPITAL FOLLOWING THE BONUS ISSUE, PLACING AND OFFER FOR SUBSCRIPTION

	Authorised		Issued and to be issued (assuming full subscription)	
	Amount	Number	Amount	Number
Ordinary Shares of Stg1p each	£10,000,000	1,000,000,000	£7,921,907.96	792,190,796

The Ordinary Shares now being issued will rank *pari passu* in all respects with the existing Ordinary Shares and will rank in full for dividends and other distributions thereafter made or paid on the ordinary share capital of the Company.

Your attention is drawn to the letter from the Chairman of Crediton Minerals plc which is set out on pages 6 to 13 of this document. Notice of an Extraordinary General Meeting of the Company to be held in the Geological Society of London, Burlington House, Piccadilly, London W1J 0BG at 11.00 a.m. on 19 January, 2001 is set out at the end of this document. To be valid, Forms of Proxy for use at the Extraordinary General Meeting must be completed and returned so as to be received by the Company's registrars, Computershare Services (Ireland) Limited no later than 11.00 a.m. on 17 January, 2001. This document is available free of charge for 14 days from the date of Admission to trading at the registered office of the Company which is Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL.

**RISK FACTORS:** Your attention is drawn to the section headed "Risk Factors" on page 12 and also Part IV of this document.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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Record Date	1 December, 2000
Subscription list opens	13 December, 2000
Latest time and date for receipt of proxy forms for the EGM	11.00 a.m. on 17 January, 2001
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Offer (unless extended to a date and time not later than 3.00 p.m. on 18 January, 2001)</b>	3.00 p.m. on 12 January, 2001
Extraordinary General Meeting	11.00 a.m. on 19 January, 2001
The Placing Shares and Offer Shares expected to be allotted	19 January, 2001
Admission of Ordinary Shares to trading on AIM	22 January, 2001
Dealings expected to commence in the Placing Shares and the Offer Shares	22 January, 2001
CREST accounts will be credited in respect of the New Ordinary Shares not later than	22 January, 2001
Despatch of definitive share certificates for the New Ordinary Shares expected to be not later than	27 January, 2001

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## DEFINITIONS

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*In this document the following expressions have the following meanings unless the context otherwise requires or unless it is otherwise specifically provided:*

“the Act”	the Companies Act 1985 (as amended);
“Admission”	the admission of the Ordinary Shares to trading on AIM;
“AIM”	the Alternative Investment Market of the London Stock Exchange;
“Bonus Issue”	the proposed capitalisation issue of four Ordinary Shares for each existing Ordinary Share held at the Record Date;
“Application Form”	the application form issued with this document in connection with the Offer;
“CMP” or “the Company”	Crediton Minerals plc;
“Crediton Trough”	the exploration licence area in the county of Devon, England as defined in the Exploration Licence;
“CREST”	the relevant system (as defined in The Uncertificated Securities Regulations 1995) in respect of which CRESTCo is the Operator (as defined in The Uncertificated Securities Regulations 1995) in accordance with which securities may be held and transferred in uncertificated form;
“CRESTCo”	CRESTCo Limited;
“Davy Stockbrokers” or “Davy”	J&E Davy, Registered Stockbrokers, trading as Davy Stockbrokers;
“the Directors” or “the Board”	the directors of the Company;
“Exploration Licence”	the licence granted by the Queen’s Most Excellent Majesty (on her behalf by the Crown Estate Commissioners) dated 20 June, 1996 to the Company and to which MinMet is a surety;
“Extraordinary General Meeting” or “EGM”,	the extraordinary general meeting of the Company convened for 19 January 2001 by the notice which is set out at the end of this document or any adjournment thereof;
“Form of Proxy”	the form of proxy for use by Shareholders at the EGM which accompanies this document;
“Independent Directors”	the independent directors of MinMet, being Professor M.S. Johnson and Mr. A.J. Robson;
“Investment Manager”	Lion Resource Management Limited;
“Irish Regulations”	the European Communities (Transferable Securities and Stock Exchange) Regulations 1992, the Irish Companies Acts 1963 to 1999 and the European Communities (Stock Exchange) Regulations, 1984 (as amended) of Ireland;
“Irish Stock Exchange”	The Irish Stock Exchange Limited;
“Issue Price”	Stg2p per New Ordinary Share;
“London Stock Exchange”	London Stock Exchange plc;
“Mining Lease”	a Mines Royal lease in respect of gold and silver which is available to the Company under an option clause in the Exploration Licence to permit the removal and processing of gold and silver from the Crediton Trough;
“MinMet”	Minmet PLC, a company listed on the Exploration Securities Market of the Irish Stock Exchange (and where the context so requires its wholly owned subsidiaries);

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“New Ordinary Shares”	up to 750,000,000 Ordinary Shares of Stg1p each to be issued pursuant to the Placing and Offer for Subscription which will rank equally in all respects with the existing issued Ordinary Shares;
“Ofex”	an off-exchange dealing facility provided by JP Jenkins Limited;
“Offer” or “Offer for Subscription”	the invitation to Qualifying Investors to subscribe for Offer Shares by the Company;
“Offer Price”	Stg2p per Ordinary Share;
“Offer Shares”	up to 675,000,000 New Ordinary Shares available to be subscribed for pursuant to the Offer;
“Official List”	the official list of the UKLA;
“Ordinary Shares”	ordinary shares of Stg1p each in the capital of the Company;
“Placing”	the proposed firm placing of up to 75,000,000 New Ordinary Shares;
“Placing Agreement”	the proposed placing agreement dated 13 December, 2000 between the Company, WH Ireland, Davy, the Directors and the Proposed Directors;
“Placing Shares”	up to 75,000,000 New Ordinary Shares the subject of the Placing;
“Proposed Directors”	Mr. Hugh McCutcheon and Mr. Seamus Maher;
“Qualifying Investors”	any person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, administrator or other legal representative) other than a Restricted Overseas Person;
“Record Date”	1 December, 2000;
“Regulations”	the Public Offers of Securities Regulations 1995;
“Resolutions”	the resolutions to be proposed at the EGM, as set out in the Notice of EGM;
“Restricted Overseas Person(s)”	a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, administrator or other legal representative) located or resident outside the Republic of Ireland, the United Kingdom, Guernsey, Jersey and the Isle of Man;
“Shareholders”	the registered holders of Ordinary Shares on the Record Date;
“Share Option Scheme”	the Crediton Minerals plc share option scheme, details of which are summarised in paragraph 4 of Part VI of this document;
“Stg£” and “Stgp”	pounds and pence sterling respectively;
“Tiger”	Tiger Resource Finance plc, the proposed new name of the Company;
“UKLA”	the United Kingdom Listing Authority, being the Financial Services Authority of the United Kingdom acting in its capacity as the competent authority under the Financial Services Act 1986 of the United Kingdom;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to the jurisdiction of the United States of America; and
“WH Ireland”	WH Ireland Limited.

*All references in this document to money are to denominations of Sterling currency except where otherwise stated. In this document references to a person include references to a firm and body corporate, the singular includes the plural, the masculine includes the feminine and neutral genders and vice versa, in each case unless the context otherwise requires. Unless otherwise stated, all references in this document to legislation refers to the laws of the United Kingdom.*

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## DIRECTORS, SECRETARY AND ADVISERS

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<b>Directors</b>	Jeremy Metcalfe (Chairman) Michael Nolan (Irish) Gordon Riddler
<b>Proposed Directors</b>	Hugh McCutcheon (Irish) Seamus Maher (Irish)  all of Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL.
<b>Registered Office</b>	Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL.
<b>Secretary</b>	Alec Banyard F.C.C.A.
<b>Nominated Advisers</b>	Davy Stockbrokers, Davy House, 49 Dawson Street, Dublin 2, Ireland.
<b>Nominated Brokers</b>	WH Ireland Limited, 3 Royal Exchange Buildings, London EC3V 3NL.
<b>Investment Manager</b>	Lion Resource Management Limited, 7-8 Kendrick Mews, London SW7 3HG.
<b>Auditors and Reporting Accountants</b>	Deloitte & Touche, Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland.
<b>Solicitors to the Company</b>	Matheson Ormsby Prentice, 30 Herbert Street, Dublin 2, Ireland.  Matheson Ormsby Prentice, Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL.
<b>Solicitors to WH Ireland</b>	Halliwell Landau, St. James' Court, Brown Street, Manchester M2 2JF.
<b>Registrars, Receiving Agents and Transfer Office</b>	Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.

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## LETTER FROM THE CHAIRMAN

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# Crediton Minerals plc

(A PUBLIC LIMITED COMPANY INCORPORATED IN ENGLAND AND WALES UNDER THE COMPANIES ACT 1985 REGISTERED NUMBER 2882601)

*Directors*

Jeremy P. Metcalfe *Chairman*  
Michael H. Nolan *Director*  
Gordon P. Riddler *Director*

*Registered Office*

Pountney Hill House,  
6 Laurence Pountney Hill,  
London EC4R 0BL.

13 December, 2000

### CHANGE OF NAME

### SALE OF ASSET

### BONUS ISSUE OF SHARES

### PROPOSED PLACING OF UP TO 75,000,000 NEW ORDINARY SHARES AT STG2P PER SHARE

### OFFER FOR SUBSCRIPTION

### ADMISSION TO TRADING ON THE ALTERNATIVE INVESTMENT MARKET OF THE LONDON STOCK EXCHANGE

Dear Shareholders,

The Company announced on 4 July, 2000 that the Board was undertaking a strategic review which would, *inter alia*, examine methods of increasing shareholder value and that the Board requested, and were granted, the suspension of the trading of the Company's shares on Ofex for the duration of the strategic review.

Your Board has completed its strategic review and has considered the future development of the Company and has developed a strategy which it believes can provide new opportunities for the Company. The strategy in summary proposes that the existing exploration project in the Crediton Trough be sold (to a company which will change its name immediately after the transfer to Tiger Resource Finance Limited and which is a wholly owned subsidiary of the Company's majority shareholder, MinMet), for a consideration of Stg£230,000; that the Company raise at least Stg£1 million through a Placing and Offer for Subscription; that the Company reorganises its Board of Directors with the proposed appointment of Mr. Hugh McCutcheon and Mr. Seamus Maher to the Board; that the Company repositions its business activity as a provider of finance to natural resources projects on a world-wide basis with the proposed appointment of Lion Resource Management as investment manager; that the Company change its name to Tiger Resource Finance plc to reflect its new business direction; and finally that the Company makes an application for its shares to be admitted to the Alternative Investment Market of the London Stock Exchange.

The Placing will raise at least Stg£1 million which will be used for investment purposes. The Placing and the sale of the Exploration Licence are conditional, *inter alia*, on the approval of the Shareholders at the Extraordinary General Meeting to be held on 19 January, 2001, upon the Placing Agreement not having been rescinded or terminated in accordance with its terms and upon admission of the New Ordinary Shares to AIM.

The Offer is conditional on, *inter alia*, shareholder approval and on the Placing Agreement being declared unconditional. In the event that no funds are raised pursuant to the Offer, the Board believes that it has raised sufficient funds from the Placing to underpin the repositioning of its intended business activity.

The Issue Price of Stg2p per New Ordinary Share is significantly lower than the last dealt price of Ordinary Shares of Stg13.5p prior to their suspension. To partly compensate existing shareholders it is proposed to increase the number of shares in issue through a bonus issue of shares so that shareholders will be credited with 4 fully paid Ordinary Shares for every 1 Ordinary Share held on the Record Date. Since the share premium account has insufficient reserves to fully fund the bonus issue, MinMet has irrevocably agreed to renounce its entitlement to 3,386,684 Ordinary Shares representing the shortfall in the share premium account.

Having regard to the above, the Board is recommending that Shareholders agree to the resolutions proposed at the forthcoming Extraordinary General Meeting.

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## BACKGROUND

The Company was initially formed to pursue the exploration for gold and silver in the Crediton Trough in Devon. The Company was awarded the Exploration Licence in 1996 and the Company has pursued an active exploration programme over the period resulting in gold values ranging from 0.15 g/t to 7.03 g/t being discovered from a number of drilling programmes. However, the drilling results have yet to indicate a large enough volume to be commercially viable. A good deal more exploration work on the existing drill site and on other locations within the licence area is needed to indicate an ore-body which could lead to the delineation of a prospective mine. The further exploration programme will involve additional cost.

Since the public offer for subscription of 2,593,476 Ordinary Shares at Stg10p per share in 1996, the Company has been financially supported by MinMet. This financial support has been reflected in two ways, namely support for the Company's exploration activities and secondly support of corporate overheads. MinMet have indicated that although they support the on-going exploration activities of the Company they consider that by incorporation of the asset into MinMet it can be managed and operated more efficiently and effectively.

The proposed strategy is to dispose of the Exploration Licence and change the nature and focus of the Company to that of the provision of finance for natural resource companies on a worldwide basis. The Exploration Licence has been independently valued by Amco Robertson Mineral Services who have reported that a fair and reasonable value of the Exploration Licence is Stg£230,000 and a copy of their report is set out in Part III of this document.

The injection of the net proceeds from the Exploration Licence of Stg£230,000 gives the Company the opportunity to create a new business model and this, allied to the funds raised pursuant to the Placing and Offer will, in the opinion of the Board, give shareholders the ability to share in a mining finance company with a management team that has significant industry and financial experience. Any funds raised pursuant to the Offer will provide additional capital for investment.

This strategy, which is discussed in further detail below, will, the Directors believe, give substantial corporate momentum and increased market liquidity giving shareholders an ability to secure value for their shareholding.

## TIGER RESOURCE FINANCE PLC

Your Directors believe that this is an optimal time to invest in natural resource companies capitalising on the significant industrial and financial experience of the management team.

In recent months there have been a number of developments which include the following:

- The Directors believe that there is a strategic shift in the mineral sector where major mining companies are now becoming more reliant on junior explorers to identify resources and future reserves and to trade these on to the major mining companies for development. This trend is best illustrated by Billiton Plc's Chairman in his Chairman's Statement in their 1999 Annual Report where he explains their exploration strategy viz. *"The review of our exploration strategy has led, I believe, to a particularly innovative outcome. We concluded that greater value could be obtained by reducing the expenditures on our own "greenfield" exploration, and seeking instead to participate in high-quality later-stage opportunities brought to us by third parties, often the so-called "junior" exploration companies. In this way we obtain considerable leverage for our exploration funds, magnifying our access to technical skills and insights, and to prospective geological environments."*
- The emergence of positive trends in the investment in natural resource stocks, particularly in North America, where in the quarter to November 2000 the Toronto Stock Exchange ("TSE") Mining Index was up over 34% on the quarter and 21% year-to-date.
- Base metal prices, particularly zinc and copper, have recovered from their lows experienced in the first quarter of 1999 showing a 16% and 31% increase respectively over that period.
- In precious metals the world prices for platinum and palladium are at or close to their all time highs with platinum trading around US\$592 per troy ounce ("t/oz") and palladium at US\$781 t/oz.
- The London investment infrastructure for the natural resource sector has strengthened in recent years with the listing on the London Stock Exchange of major mining companies such as Anglo American (1999) and Billiton (1997) alongside the incumbents which include Rio Tinto.

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- In the opinion of the Directors the decrease in worldwide exploration budgets, from a high of US\$5.1 billion in 1997 to US\$3.5 billion in 1998 and US\$2.7 billion in 1999 (Source: Metals Economics Group of Halifax, Nova Scotia), will impact on the long term reserves of the major mining companies and will have to be corrected through a combination of increased spending in the next few years and the acquisition by the majors of junior resource companies with good prospects.
  - According to a 1999 World Gold Council report the upward trend in the annual gold jewellery fabrication (excluding scrap) continues to the extent that it alone now exceeds total gold mine production.
  - The Board is aware of a number of companies in the sector who have publicly expressed an intention to come to the London market for funds in the immediate future, including a number of Australian and Canadian companies which, in the opinion of the Directors, is further evidence of the emergence of London as one of the world's premier locations for securing investment funds for the natural resource sector.

In view of these developments the Board believe that it has a unique opportunity to build a well balanced portfolio of investments in the natural resource sector.

The Company will be run by an experienced management team who will take advantage of opportunities in natural resource companies world-wide. The Board will retain the flexibility to invest in natural resource companies across the spectrum of development from early stage through to production. It is envisaged that Tiger may also bring a level of technical expertise to its investee companies and may not merely take on the role of a passive investor. However, it is important that investee companies demonstrate a core management ability before an investment is made. In addition the location of key projects of companies in which Tiger invests will be in countries where political risk insurance cover is available.

The Company's emphasis will be on taking appropriate positions in well managed businesses in the natural resource sector. It is not the intention of the Company to become a vulture fund picking up defunct or bankrupted businesses. It is the intention of the Company to become one of the leading incubator investment funds for the natural resource sector.

A dynamic aspect of the Company's investment policy will include supporting companies who have developed or are applying the new technologies that are becoming increasingly available to the resource sector.

## **INVESTMENT GUIDELINES**

The Directors have resolved that decisions to invest in specific companies may be made according to the following guidelines:

- (1) Investments can be made in both public and private companies
- (2) In the case of investments made in public companies, such companies must have a market capitalisation of not less than Stg£5 million at the time of the initial investment
- (3) In the case of investments made in private companies, such companies should be close to seeking a listing on a stock market
- (4) Investments will be made in all countries provided that it is possible to obtain political risk insurance in such countries
- (5) Investments will be preferred in resource companies specialising in base and precious metals, industrial minerals and diamonds
- (6) Investments will not be made in building aggregate mineral companies
- (7) Board representation may be sought if it is appropriate to the investment
- (8) Investments may be through the provision of equity finance, loan finance or both, however it is envisaged that the preferred method will be the provision of equity finance
- (9) The initial minimum investment size in both public and private companies should be Stg£250,000



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- (10) Not more than 20% of the initial funds raised should be invested in any one company
  - (11) Prior to making any investment, appraisal procedures will be followed which may include appropriate technical, legal and financial due diligence
  - (12) Exit strategies will be considered at the time of investment and may include a public offering, flotation or trade sale

The Board will not invest in MinMet Plc or any of its wholly owned subsidiaries but it reserves the right to co-invest with MinMet in suitable opportunities should they arise.

#### **REASONS FOR SEEKING ADMISSION TO AIM**

The Directors believe that it is appropriate to seek admission to AIM as this should enhance the liquidity and marketability of shares in the Company, improve access to capital and improve the Company's visibility. Accordingly, the Company will no longer be available for trading on Ofex.

#### **SALE OF THE EXPLORATION LICENCE**

MinMet has provided all the financial support to maintain the Company's activities over the past two years through the advancement of loan finance. The Company and its Directors have had discussions with the Independent Directors of MinMet with a view to finalising an arrangement whereby the Exploration Licence and all geological data collected pursuant to the Exploration Licence be sold to Tiger Resource Finance Limited, a wholly owned subsidiary of MinMet, for a consideration of Stg£230,000 which will be settled in cash and through settlement of an inter-company balance due to MinMet. The valuation, upon which the Independent Directors and the Directors have based their discussions, has been provided by Amco Robertson Mineral Services who have confirmed to the Board of the Company that the consideration is fair and reasonable. A copy of their report is set out in Part III of this document.

Discussions have been ongoing with the Crown Estate Commissioners concerning the assignment of the Exploration Licence and a new licence may be issued in the name of the Company prior to the EGM in order to facilitate the assignment. The amendments to the Exploration Licence are not expected to be significant or material. Accordingly a supplementary prospectus will not be circulated if a new licence is issued unless it is materially different to the existing Exploration Licence which is summarised in paragraph 13 of part VI of this document.

By selling the Exploration Licence to MinMet, it gives MinMet the opportunity to work the prospect as part of its general exploration programme.

#### **CURRENT TRADING**

The Company has traded in line with Directors' expectations since 30 September, 2000 and there have been no significant post balance sheet events other than the transactions as described in this document.

#### **REASONS FOR THE PLACING AND OFFER**

As set out above, the Board envisages that opportunities will be available to the Company as the natural resources sector builds up momentum. In order to provide the Company with the opportunity to make appropriate investments and to have a spread of investments it is seeking to raise at least Stg£1 million through the Placing.

#### **DETAILS OF THE PLACING AND OFFER**

Under the Placing Agreement, WH Ireland is seeking to place up to 75,000,000 New Ordinary Shares at Stg2p per share with institutional and other investors to raise up to Stg£1.5 million. The number of shares which it has already arranged to be placed exceeds the minimum of 50,000,000 New Ordinary Shares at Stg2p per share. The Placing is conditional, *inter alia*, upon the approval of the Shareholders at the Extraordinary General Meeting to be held on 19 January, 2001, upon the Placing Agreement not having been rescinded or terminated in accordance with its terms and upon admission of the New Ordinary Shares to AIM. The Offer is conditional on, *inter alia*, Shareholder approval and the Placing Agreement being declared unconditional in all respects.

This document and the Application Form contain the formal terms and conditions on which Qualifying Investors may subscribe for the Offer Shares under the Offer.

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The Offer Shares are offered to all Qualifying Investors at the Offer Price payable in full on application. The Directors have placed a ceiling on the maximum aggregate proceeds from the Placing and Offer of Stg£15 million gross. In the event of this amount being exceeded, applicants will be scaled back *pro rata*. The Offer Shares will, following allotment, rank *pari passu* in all respects with all other Ordinary Shares which will be in issue on completion of the Offer and will have the right to receive all dividends and other distributions hereafter declared, made or paid in respect of Ordinary Shares.

The Offer is not underwritten and there is no minimum amount to be raised. For administrative reasons, the minimum subscription for shares pursuant to the Offer is Stg£500 per applicant.

The Offer is being extended to all Qualifying Investors. Since MinMet is a significant shareholder in the Company, the Directors believe that it is appropriate to afford existing UK and Irish domiciled MinMet shareholders the opportunity to subscribe to the Offer. Existing MinMet shareholders will not be deemed to have any preferential rights in the event of any scale back or rejection of applications. It is emphasised that the Offer is not just restricted to shareholders of the Company and MinMet.

The subscription list will open at 10.00 a.m. on 13 December, 2000 and the latest time and date for receipt of Application Forms will be 3.00 p.m. on 12 January, 2001, unless extended by the Directors to a date not later than 3.00 p.m. on 18 January, 2001. Applications should be made on the Application Form accompanied by a cheque or banker's draft. Details of the procedure for application for Offer Shares are set out in Part V of this document and additional details are printed on the reverse of the enclosed Application Form. The Directors reserve the right to reject in whole or in part or to scale back any application for Offer Shares.

## **DIRECTORS AND MANAGEMENT**

### **Jeremy Metcalfe - Executive Chairman**

Mr. Metcalfe, aged 61, Chairman of Minmet PLC and Connary Minerals PLC, a subsidiary of MinMet, is also the senior partner of JP Metcalfe Associates, a corporate finance partnership, with specialist skills in the venture capital industry. He has expertise in the extractive minerals market and has arranged the funding, purchase and sale of a number of gold related projects both in Europe and West Africa. He has merchant and investment banking expertise following a four year stint with a leading London Merchant Bank. He was formerly Joint Managing Director of one of the UK's largest privately owned commodity futures brokers enjoying a full set of market seats.

### **Michael Nolan - Director**

Mr. Nolan, F.C.A. aged 38, is a Director of the Company. He is a Chartered Accountant who has worked with Deloitte & Touche and has been an executive director of Equity and Corporate Finance plc, the London based corporate finance and investment house. He is also Chief Executive of MinMet.

### **Gordon Riddler - Director**

Eur Ing Gordon Riddler, aged 56, has been a Director of the Company since 1998, he is also a Director of MinMet. He is a Registered European Engineer, Chartered Engineer, Member of the Institute of Management and Chartered Institute of Marketing, a Registered and Chartered Marketer, Fellow and former Vice President of the Institution of Mining and Metallurgy.

He is the Project Manager with the international Mineral Industry Research Organisation (MIRO) responsible for projects concerning mining, exploration, geoscience and related issues.

Most recently Head of the Minerals Group of the British Geological Survey, he has held appointments within the former RTZ Corporation (now Rio-Tinto plc), including Principal Geologist with Riofinex Limited and Technical Director of Riofinex (Saudi Arabia) Ltd. He served as exploration manager, group geologist and director of subsidiary companies within the Gold Fields Group in UK and overseas. He has been responsible for the discovery and evaluation of several major metal and industrial mineral deposits. With Gold Fields, he spent approximately three years as Group Investment Analyst in London, where he was responsible for evaluation and recommendation of direct and indirect investment opportunities. He was involved at a time the Company initiated major investments in mineral exploration, as well as mining development projects world-wide which were to become successful and sustainable operations.

### **Hugh McCutcheon – proposed Non-executive Director**

Mr. McCutcheon, aged 46, is a Chartered Accountant who worked with PricewaterhouseCoopers in Ireland and Australia and was a director for 11 years of Davy Corporate Finance Limited which is part of Davy Stockbrokers. He was recently appointed as managing director of ABN Amro Corporate Finance (Ireland) Limited.

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### **Seamus Maher – proposed Executive Director**

Mr. Maher, aged 32, is the Finance Director of MinMet Plc. He is a chartered accountant, working for six years as financial controller of GMX Limited, a joint venture company of Moulinex SA, Glen Dimplex Limited and Greencore plc. He has worked in the financial services industry in New Zealand for the past four years – initially with the Colonial Group in Wellington and latterly with New Zealand Guardian Trust Co which is part of The Royal and Sun Alliance Group.

Further details of the directors are set out in paragraph 2 of Part VI of this document.

### **INVESTMENT MANAGER**

Lion Resource Management Limited (“LRM”) has been appointed as investment manager for the Company. LRM is a specialist manager for mining and natural resource investments and currently acts as investment adviser to Ermitage Global Mining Fund, O’Donnell World Precious Metals Fund and Excelsior Mining Fund. LRM is operated by Kjeld Thygesen (53) who has extensive industry experience. Mr Thygesen founded LRM in 1989 and between 1979 and 1989 held various positions with NM Rothschild & Sons Limited, including manager in the Commodities and Natural Resources Department with overall responsibility for strategy and management of commodity trusts and precious metals funds. He was also an adviser to Rothschild International Asset Management and Pension Fund Division on natural resource investment and was a director of NM Rothschild Asset Management and NM Rothschild International Asset Management. From 1972 to 1979 he worked as an international mining research analyst at James Capel specialising in gold and precious metal companies and was involved in the development of Goldval, the first fully computerised gold share evaluation system, which was recognised as a leader in this field.

It is envisaged that investments will be introduced from a variety of sources including the investment manager, the Board’s contact base, third party brokers, promoters and through the MinMet corporate deal flow. The Company’s business model will follow a structured approach whereby business plans and investment proposals will be subject to an initial screening process by the investment manager to assess whether they meet with the investment guidelines as set out previously. Selected business plans and investment proposals will be reviewed and appraised by the investment manager including, where appropriate, site visits and a detailed discussion with management teams on their business propositions. If deemed necessary and appropriate the investment manager will be able to draw on industry specialists and other professionals to assist in the appraisal process. Following appropriate technical, legal and financial due diligence, the investment manager will present an investment appraisal with a recommendation on appropriate projects to the Board. The Board will review this appraisal information and recommendation provided by the investment manager, however the final decision on whether an investment is made will be made by the Board of the Company.

### **CORPORATE GOVERNANCE**

The Company intends, as far as practicable for a company of its size, to comply with the Combined Code as applicable to listed companies and set out in the Listing Rules of the UK Listing Authority. Remuneration and audit committees have been established with formally delegated duties and responsibilities. Both are composed of non-executive directors. The audit committee is responsible primarily for ensuring that the financial performance of the Company is properly monitored and reported on and for reviewing reports from the auditors relating to the Company’s accounting and internal control. The main responsibility of the remuneration committee is to review the performance of the executive directors and to set their remuneration and the other terms of their employment.

The Company has formally adopted the Model Code governing Directors’ share dealings.

### **SHARE OPTION SCHEME**

The Company has established a Share Option Scheme for the Directors (including non-executive Directors), employees and executives and other officers, contractors and employees in the service of the Company, the Company’s holding company and the Company’s subsidiaries under which the maximum number of Ordinary Shares over which options may be granted is limited to 10% of the Ordinary Shares in issue from time to time. Since the nature and focus of the business is changing, as set out earlier, the Directors consider it appropriate to cancel the existing share options which total 600,000 Ordinary Shares exercisable at Stg10p each. Resolution 12 seeks to effect the cancellation of the existing options. The Directors do not propose to issue new options prior to the date of Admission.

Further details of the Share Option Scheme are set out in Part VI of this Document.

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## **PROCEEDS OF THE PLACING AND OFFER**

Pursuant to the Placing and Offer up to 750,000,000 new Ordinary Shares are being offered by the Company to raise capital to fund suitable investment opportunities as they arise.

The proceeds of the issue of 750,000,000 new Ordinary Shares pursuant to the Placing and Offer, after deduction of related expenses, which are estimated to be Stg£380,000 will amount to Stg£14.62 million, if fully subscribed. If the Placing and Offer are subscribed for in full, the maximum proceeds will amount to Stg£15 million.

Further financial information is set out in Part II of this document. The Company intends to keep overheads to a minimum and yet have the expertise amongst the Management Team to carry on its business to the best advantage.

The Company has no borrowings as at the date of this document, except for an amount due to MinMet of Stg£196,406, and the Company does not intend to borrow in the future to fund its investment activities.

## **RISK FACTORS**

Prospective investors should consider carefully the following factors in evaluating the Company and its proposed business.

**Investment in mining and exploration is inherently speculative, and involves a high degree of financial risk. The exploration and development of mineral deposits requires substantial investment and no assurances can be given that the investee companies will be able to raise the entire funding required to fully develop their exploration acreage. Such investment involves a high degree of risk and results cannot be predicted.**

**No assurances can be given that minerals will be discovered in economically viable quantities by any of the investee companies, nor that if discovered such reserves can be brought into profitable production. The speculative nature of mineral exploration is such that no assurance can be given that funds invested in the Company will be recoverable, or that any dividends will be paid on the Company's shares.**

**Should the Company make investments in currency other than its reporting currency (Sterling) there is a risk from exchange rate fluctuations.**

**The value of shares can go down as well as up. Investors may, therefore, realise less than the original amount subscribed for pursuant to the Offer and could lose their entire investment. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to listing on the London Stock Exchange. Furthermore, the London Stock Exchange has not itself examined or approved the contents of this document.**

**Any investments made by the Company in the natural resource sector may be subject to fluctuations in the value of metals and minerals.**

In particular, your attention is also drawn to Part IV of this document which highlights risk factors in greater detail.

## **CREST**

CREST is the computer based system whose procedures enable title to securities to be evidenced and transferred without a written instrument.

The Directors intend to apply for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant shareholder so wishes. It is proposed that new Articles of Association will be adopted at the EGM so that they are, *inter alia*, consistent with the transfer of shares in dematerialised form in CREST under the Uncertificated Securities Regulations 1995.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

## **DIVIDEND POLICY**

The nature of the Company's proposed investments means that they may not all generate income and consequently the Company may not be in a position to pay a dividend for some time. The Directors believe that the Company should generate capital appreciation for its shareholders but may recommend distributions at some future date depending upon the realisation of profits and when it becomes commercially prudent to do so.

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## EXTRAORDINARY GENERAL MEETING

An EGM has been convened for 11.00 a.m. on 19 January, 2001 to be held in the Geological Society of London, Burlington House, Piccadilly, London W1J OBG at which Resolutions 1 to 12 (which are conditional on the Placing Agreement becoming unconditional) as special resolutions and Resolutions 13 and 14 as ordinary resolutions will be proposed.

That:

1. the sale of the business of the Company, including the assignment of the Exploration Licence to Minmet plc and that the business transfer agreement as described in paragraph 13 of Part VI of this document be approved;
2. the name of the Company be and is changed to Tiger Resource Finance Plc;
3. the focus of the business of the Company be switched to providing development finance and services to natural resource projects on a world-wide basis;
4. the Memorandum of Association of the Company be altered;
5. new Articles of Association of the Company are adopted;
6. the authorised share capital of the Company be increased to Stg£10,000,000 by the creation of 900,000,000 ordinary shares of Stg1p each ranking *pari passu* in all respects with the existing authorised and issued ordinary shares of Stg1p each;
7. the Board is authorised to allot securities up to an aggregate nominal amount of Stg£7,500,000;
8. the Directors are authorised to allot relevant securities, in addition to all existing authorities, pursuant to the Placing and Offer as if the statutory pre-emption rights in section 84(1) of the Act did not apply;
9. that the Directors are authorised to capitalise the share premium account so that shareholders (other than those in respect of which waivers have been received by the Company prior to the date hereof) will receive 4 New Ordinary Shares for every 1 Ordinary Share held on the Record Date;
10. application be made for admission to trading of the Ordinary Shares of the Company on the Alternative Investment Market of the London Stock Exchange;
11. the rules of the Company's share option scheme dated 30 August, 1996 be amended;
12. all existing options which have been granted under the Company's share options scheme dated 30 August, 1996 shall be cancelled;
13. Hugh McCutcheon be appointed as a director of the Company conditional upon admission to AIM;
14. Seamus Maher be appointed as a director of the Company conditional upon admission to AIM.

A Form of Proxy for Shareholder's use accompanies this document.

## ACTION TO BE TAKEN

Shareholders should complete the form of proxy and return it to the Company's Registrars, Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandymount Industrial Estate, Dublin 18, Ireland as soon as possible but in any event so as to arrive not later than 48 hours before the time of the Extraordinary General Meeting. Completion and return of the form of proxy will not preclude you from attending the meeting and voting in person should you wish.

## RECOMMENDATION

**The Directors believe that the sale of the Exploration Licence in respect of the Crediton Trough, the Placing and Offer and the other matters to be dealt with at the EGM are in the best interests of the Company and the Shareholders as a whole. For the reasons outlined above, the Directors recommend you to vote in favour of the Resolutions to be proposed at the EGM as they intend to do in respect of all the Ordinary Shares owned by themselves or in which they have an interest amounting to 50,000 Ordinary Shares in aggregate (250,000 after bonus issue), being 0.55% of the issued share capital of the Company.**

Since the disposal of the existing business of the Company, including the Exploration Licence, is to MinMet, which is a significant shareholder in the Company, MinMet has agreed to abstain from voting on Resolution 1 which deals with the proposed disposal of the business.

Yours sincerely,

**JEREMY METCALFE**  
Chairman

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## PART II (A) : THREE YEAR FINANCIAL INFORMATION

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*The following is the text of a report to the Directors of the Company and Davy Stockbrokers from Deloitte & Touche, Chartered Accountants and Registered Auditors:*

The Directors  
Crediton Minerals Plc  
Pountney Hill House  
6 Laurence Pountney Hill  
London EC4R 0BL  
United Kingdom

The Directors  
Davy Stockbrokers  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

13 December, 2000

Dear Sirs

### **Crediton Minerals Plc (“the Company”)**

We report on the financial information set out below. This financial information has been prepared for inclusion in the Circular dated 13 December, 2000 relating to the admission of the ordinary shares of the Company to trading on the Alternative Investment Market (“AIM”) of the London Stock Exchange (“the Investment Circular”). We have acted as the auditors to the Company for each of the three years ended 31 December, 1999.

### **Basis of preparation**

The financial information set out in this report is based on the audited financial statements of the Company for the three years ended 31 December, 1999 to which no adjustments were considered necessary.

### **Responsibility**

Such financial statements are the responsibility of the Directors of the Company who approved their issue. The Directors of the Company are responsible for the contents of the Investment Circular in which this report is included. It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

### **Basis of opinion**

We conducted our work in accordance with the Statements 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 obtained by us relating to the audit of the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

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 sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

The Company secured a licence from the Crown Estate Commissioners in Devon, England in 1996. The Company has, in addition, an option to convert the licence into a Royal Mines Lease which would enable the extraction of minerals from the area. The ability of the Company to finalise exploration work, agree mining licences, acquire land rights and develop the mine is dependent upon the completion by the Company of the Placing and Offer of new ordinary shares as described in the Investment Circular, or the securing of alternative financial resources.

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The financial statements do not include any adjustments to reduce the value of assets to their recoverable amounts and to provide for future liabilities that may arise. Details of this uncertainty are described under the accounting policy "Basis of Preparation". Our opinion is not qualified in this respect.

**Opinion**

In our opinion, the financial information set out below gives, for the purposes of the Investment Circular, a true and fair view of the state of affairs of the Company as at the dates stated and of its losses, cash flows and recognised gains and losses for the years then ended.

**Consent**

We consent to the inclusion in the Investment Circular of this report and accept responsibility for this report for the purposes of paragraph 45 (1)(b)(iii) of Schedule 1 to the Regulations.

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**CREDITON MINERALS PLC**  
**PROFIT AND LOSS ACCOUNT**

		<b>Year ended 31 December</b>		
	<b>Notes</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
<b>OPERATING LOSS</b>		(15,176)	(6,822)	(7,184)
Interest receivable		<u>2,927</u>	<u>6,266</u>	<u>730</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				
	2	(12,249)	(556)	(6,454)
Taxation	3	<u>(637)</u>	<u>(1,316)</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(12,886)	(1,872)	(6,454)
Balance at beginning of year		<u>(1,137)</u>	<u>(14,023)</u>	<u>(15,895)</u>
Balance at end of year		<u><u>(14,023)</u></u>	<u><u>(15,895)</u></u>	<u><u>(22,349)</u></u>
Loss per share	4	<u><u>(0.16p)</u></u>	<u><u>(0.02p)</u></u>	<u><u>(0.07p)</u></u>

All gains and losses arise from continuing activities and are dealt with in the profit and loss account.

There were no movements in shareholders' funds other than the recognised gains and losses in the current and prior years.



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**CREDITON MINERALS PLC**  
**BALANCE SHEET**

	Notes	1997 STG£	As at 31 December 1998 STG£	1999 STG£
<b>FIXED ASSETS</b>				
Intangible assets	5	251,616	414,532	519,400
<b>CURRENT ASSETS</b>				
Debtors	6	11,297	14,340	9,671
Cash at bank		157,309	10,039	1,550
		168,606	24,379	11,221
<b>CREDITORS : (Amounts falling due within one year)</b>	7	(12,337)	(32,898)	(131,062)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		156,269	(8,519)	(119,841)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		407,885	406,013	399,559
<b>Represented by :</b>				
<b>CAPITAL AND RESERVES</b>				
Called-up share capital	8	91,155	91,155	91,155
Share premium account	9	330,753	330,753	330,753
Profit and loss account		(14,023)	(15,895)	(22,349)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		407,885	406,013	399,559

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**CREDITON MINERALS PLC**  
**CASH FLOW STATEMENT**

	Notes	1997 STG£	1998 STG£	1999 STG£
<b>NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>	10	(52,346)	10,017	96,965
<b>RETURNS ON INVESTMENTS</b>				
Interest received		2,927	6,266	730
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS</b>		2,927	6,266	730
<b>TAXATION PAID</b>		-	(637)	(1,316)
<b>CAPITAL EXPENDITURE</b>				
Payments to develop intangible fixed assets		(111,193)	(162,916)	(104,868)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(111,193)	(162,916)	(104,868)
<b>NET CASH OUTFLOW BEFORE FINANCING</b>		(160,612)	(147,270)	(8,489)
<b>FINANCING</b>				
Issue of share capital		189,001	—	—
<b>INCREASE/(DECREASE) IN CASH</b>	11	28,389	(147,270)	(8,489)

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## NOTES TO THE FINANCIAL INFORMATION

### 1. STATEMENT OF ACCOUNTING PRINCIPLES

#### Basis of Preparation - Mineral Interests and Going Concern

The Company secured a licence from the Crown Estate Commissioners in Devon, England in 1996. The initial licence was for a one year period, however, the Company has exercised its option to extend this period having shown to the Crown Estate Commissioners progress on the exploration in the licence area.

The Company has, in addition, an option to convert the licence into a Royal Mines Lease which would enable the extraction of minerals from the area.

The initial exploration programme was funded by the proceeds of an offer to the shareholders of Minmet plc to subscribe for shares in the Company. Additional financial resources will be required to finalise exploration work, agree mining licences, acquire land rights and develop the mine. The directors intend to raise additional equity by way of open offers, placing or joint ventures.

#### Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with Applicable Accounting Standards and are denominated in pounds sterling (STG£).

#### Intangible Fixed Assets - Mineral Interests

The Company uses the full cost method of accounting for exploration and development costs. Under this method, all costs associated with property acquisition, exploration and development activities are capitalised and stated in the balance sheet at cost less amortisation, to the extent that cost can be recovered against future revenues. Amortisation will be provided on commencement of production. To the extent that costs are not considered to be recoverable, full write-off is made to profit and loss account.

#### Foreign Currency

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at balance sheet date.

### 2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997 STG£	1998 STG£	1999 STG£
This is stated after charging:			
Auditors' remuneration – Audit services	1,000	1,000	1,000
– Non-audit services	—	—	—
	=====	=====	=====
	1,000	1,000	1,000
	=====	=====	=====
Directors' emoluments	4,000	—	—
	=====	=====	=====

The emoluments of the Chairman were nil in 1998 and 1999.

### 3. TAXATION

No taxation arises in the current year due to losses incurred. The tax charge in 1998 and 1997 relates to tax on deposit interest earned.

<b>4. LOSS PER SHARE</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
Loss for year after tax	(12,886)	(1,872)	(6,454)
Weighted average number of shares	7,988,025	9,115,496	9,115,496
Loss per ordinary share	(0.16p)	(0.02p)	(0.07p)
Loss per ordinary share diluted	(0.16p)	(0.02p)	(0.07p)
<b>5. INTANGIBLE ASSETS</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
<b>Mineral Interests, at cost :</b>			
Opening balance at 1 January	140,423	251,616	414,532
Additions during the year	111,193	162,916	104,868
Closing balance at 31 December	251,616	414,532	519,400
<b>6. DEBTORS</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
Other debtors	6,742	7,497	7,513
Amount due to group companies	2,437	—	—
VAT recoverable	2,118	6,843	2,158
	11,297	14,340	9,671
<b>7. CREDITORS (Amounts falling due within one year)</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
Trade creditors and accruals	11,700	197	12,771
Amounts due to group companies	—	31,385	118,291
Corporation tax payable	637	1,316	—
	12,337	32,898	131,062

<b>8. ORDINARY SHARE CAPITAL</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
<b>Authorised :</b>			
100,000,000 ordinary shares of STG1p each	1,000,000	1,000,000	1,000,000
<b>Allotted, called-up and fully paid :</b>			
9,115,496 ordinary shares of STG1p each	91,155	91,155	91,155
<b>9. SHARE PREMIUM</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
At beginning of year	153,517	330,753	330,753
Premium arising on issue of shares net of expenses	177,236	—	—
At end of year	330,753	330,753	330,753
<b>10. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
Operating loss	(15,176)	(6,822)	(7,184)
Decrease/(increase) in debtors	(2,060)	(3,043)	4,669
Increase/(decrease) in creditors	(35,110)	19,882	99,480
Net cash inflow (outflow) from operating activities	(52,346)	10,017	96,965
<b>11. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS</b>	<b>1997 STG£</b>	<b>1998 STG£</b>	<b>1999 STG£</b>
Net funds at 1 January	128,920	157,309	10,039
Net cash inflow (outflow)	28,389	(147,270)	(8,489)
Net funds at 31 December	157,309	10,039	1,550

**12. COMMITMENTS**  
There were no capital commitments at 31 December 1999.

**13. GROUP MEMBERSHIP**  
The Company's parent company is Minmet plc, a company incorporated in the Republic of Ireland.

The Company enters into transactions including management services arrangements with its parent company. The value of such transactions in the year to 31 December, 1999 amounted to STG£60,000 (1998 : STG£60,000 and 1997 : STG£60,000).

Yours faithfully

**Deloitte & Touche**  
**Chartered Accountants**

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**PART II (B): UNAUDITED INTERIM ACCOUNTS FOR THE 9 MONTHS  
ENDED 30 SEPTEMBER, 2000**

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The following is an extract from the unaudited interim accounts of Crediton Minerals plc for the 9 months ended 30 September, 2000.

**PROFIT AND LOSS ACCOUNT - FOR THE 9 MONTHS ENDED 30 SEPTEMBER, 2000**

	Unaudited 9 months to 30 September, 2000 Stg£
Operating loss	(6,603)
Interest receivable and similar income	—
	(6,603)
Loss on ordinary activities before tax	(6,603)
Taxation on loss on ordinary activities	-
	(6,603)
Loss on ordinary activities after tax	(6,603)
Loss per ordinary share	(0.07p)

**CONSOLIDATED BALANCE SHEET - AS AT 30 SEPTEMBER, 2000**

	Unaudited 30 September, 2000 Stg£
<b>Fixed assets</b>	
Intangible assets	565,072
	565,072
<b>Current assets</b>	
Debtors	17,511
Cash at bank and in hand	1,550
	19,061
Creditors - Amounts falling due within one year	(191,178)
<b>Net current liabilities</b>	(172,117)
	(172,117)
<b>Net assets</b>	392,955
	392,955
<b>Capital and reserves</b>	
Called-up share capital	91,155
Share premium account	330,753
Profit and loss account	(28,953)
	392,955
<b>Shareholders' funds – all equity</b>	392,955
	392,955

Notes:

- (1) *The financial information set out above, for which the Directors are solely responsible, are unaudited and do not constitute the Company's statutory accounts within the meaning of section 240 of the Companies Act 1985.*
- (2) *No dividends were proposed or paid in the 9 months ended 30 September, 2000.*
- (3) *The accounting policies remain as stated in the Annual Report for the year ended 31 December, 1999.*

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## PART III : COMPETENT PERSONS REPORT

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Amco Robertson Mineral Services Limited  
Mochdre Business Park  
Colwyn Bay  
LL28 5HA

The Directors  
Crediton Minerals Plc  
Pountney Hill House  
6 Laurence Pountney Hill  
London EC4R 0BL  
United Kingdom

The Directors  
Davy Stockbrokers  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

30 November, 2000

### 1 INTRODUCTION

AMCO Robertson Mineral Services Limited (AMCO Robertson) was commissioned by Minmet plc to undertake an independent due diligence statement of the “fair value” of the mineral assets of the Company in Devon, United Kingdom.

In accordance with the terms of AMCO Robertson Proposal No. 1800, dated June 2000 and Minmet’s commissioning letter dated 13 June 2000, this report describes the principal findings of the due diligence investigations and the derivation of a “fair value” of the mineral assets of the Company. In particular, the study is based upon a technical review of the exploration data, verification of the licensing arrangements, an inspection of selected drill core at Keyworth (in Nottinghamshire) on 20 June 2000, and a site visit to the Crediton area on 21 June 2000.

### 2 MINERAL TITLE AND PERMISSIONS

The Company holds title to an area of 500 sq. km., within and off-lapping the Crediton Trough in southern Devon. The Mines Royal Prospecting Licence –174/17013 was granted on 20 June 1996 to Minmet (UK) Limited (subsequently known as Crediton Minerals plc), and permits the exploration for gold and silver in the concession area subject to the statutory terms and conditions. The Company has recently applied for a one year extension to the Prospecting Licence. The granting of the extension has been recommended by the Crown Mineral Agent to the Crown Estates, though no written confirmation has been received.

The Company has been granted the option to convert the Prospecting Licence to a Mines Royal Lease for the purpose of mineral extraction.

The licence area is not covered by any extant conservation zones, although it has close proximity to the Exmoor National Park and Dartmoor National Park in the north and south respectively. Local planning statutes and constraints will apply to on-going exploration activities and the development of mining operations, in particular, within areas of protected woodland habitats.

### 3. GEOLOGY AND EXPLORATION

The geological model of the Crediton licence area has been developed over a period of about 7 years, essentially resulting from the work of the British Geological Survey, and more recently (since 1996) by the joint exploration efforts of the BGS and the Company.

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Although gold mineralisation in the Exeter and Crediton area has been known from Roman times, its importance as a potential commercial resource was only established in 1994 when widespread alluvial gold was identified by the DTI sponsored Mineral Reconnaissance Programme (MRP) undertaken by the BGS.

### **3.1 Regional Setting**

The principal areas of gold mineralisation are associated with a prominent east-west trending basin (“the Crediton Trough”) which represents a half graben structure faulted along its southern boundary. Throughout most of the basin, the sediments and interlayered igneous rocks dip gently to the south within an overall area of about 350 sq. km.

The dominant sedimentary sequence within the Trough are Permian age sandstones and breccias interlayered with basaltic sills and/or volcanic rocks.

### **3.2 Exploration Activity**

Following the initial work of the MRP and subsequent internal BGS research studies, exploration has been continued on the Crediton licence area jointly by the BGS and the Company. Specifically, this exploration has concentrated upon the Raddon Quarry locality at Thorverton, where gold mineralisation (of up to 1.78 g/t Au) has been identified in the surface sampling of alkaline basalts. This work has entailed core drilling of the basalt target zone, a ground magnetics survey, and various analytical, mineralogical and geological interpretation studies. A total of 21 boreholes have been completed in the Raddon Quarry area. Of these, 16 holes were drilled prior to 1999 to the south of the quarry, and 5 holes drilled in mid-1999 were sited over the basalt outcrop to the north of the quarry.

The borehole cores are archived at the BGS headquarters in Keyworth, Nottinghamshire. An inspection of the cores of selected boreholes, e.g. Borehole Nos. 2 and 20, showed them to be well preserved. Core recoveries and presentational quality are generally good, with only the surface weathered zones having significant core loss. The basalt intersections have been sawn into half cores, with one half being used for analytical determination at Acme Analytical Laboratories in Canada; check samples were analysed at OMAC Laboratories in Ireland. Given the acknowledged difficulties of gold assay repeatability on samples containing coarse particulate gold, there is generally good agreement between the individual sets of results.

Of the remaining target areas of gold mineralisation within the Crediton Trough, insufficient regional or detailed mineral assessment work has been undertaken to pass comment upon their importance as an economic resource. Their potential, therefore, remains untested.

### **3.3 Geological Model**

From work conducted to date in the Crediton Trough and more particularly the Raddon Quarry area, the BGS and the Company have developed a geological model for the presence of gold mineralisation. As exploration is at a relatively early stage, the model is subject to, and has undergone, certain changes in line with the evolving nature of the programme. The following account represents the general framework of the model.

Whilst the source of gold mineralisation in the Crediton Trough remains unclear, it is likely that the gold was introduced through epithermal volcanic centres and/or low temperature hydrothermal activity prior to its re-distribution within the basin environment. In common with many graben and half graben structures, the Crediton sedimentary sequence is interlayered and interfingering with volcanic and high level igneous intrusions. These igneous rocks range from rhyolite composition to basic varieties, but in those areas associated with gold mineralisation, are predominantly highly evolved alkaline basalts. The extent and distribution of the alkaline basalts is generally concealed by poor outcrop and they are unresponsive to conventional geophysical investigation methods. However, there is suggestion that the basalts may be controlled along the lineaments of northwest-southeast faults, and in particular at their intersection with east-west structures. Indeed, the presence of low grade (possibly ‘primary’) gold within the alkaline basalts has been interpreted as the protore feed material.

Geological investigations and especially fluid inclusion studies, indicate that the higher grade gold mineralisation has been deposited from low temperature, highly saline fluids typical of so called “red bed” basins. Similar evidence of the activity and importance of basinal brine solutions has been demonstrated across many areas of northern Europe, and especially with regard to base metal mineralisation in Devon and Cornwall, manganese mineralisation in the Crediton Trough (e.g. Upton Pyne), and gold-palladium mineralisation in the Torbay area. Highly saline solutions are known to be excellent transporters of gold. It is considered likely therefore, that these brines were the principal mechanism for the leaching of gold from the basalt protore (which shows evidence of strong carbonation), and the re-mobilisation and re-distribution of gold within the Crediton Trough.



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Favourable sites for the deposition of anomalous gold concentrations vary within the Crediton Trough according to the nature of the host rock geology and structures, and also the distribution of pathways and conduits which may have controlled the migration of the saline fluids. However, at least two forms of gold occurrence have been identified. Firstly, gold within sub-vertical veins/veinlets developed primarily within the alkaline basalts as a late stage mineralising event, and associated with northwest-southeast zones of structural activity, and secondly, “unconformity-related” gold associated with the Permian unconformity around the margins of the basin. Little exploration work has contributed towards a closer understanding of this latter style of mineralisation, but in the absence of associative basalts, it is presumed that the gold occurs in association with large accumulations of carbonate minerals and alteration zones at the unconformity interface as a result of redox precipitation.

From the point of view of economic importance, it is this latter style of mineralisation that represents the most likely target for economic scale mineralisation. Similar style gold mineralisation is known from a number of key producing mines and undeveloped deposits around the world, including Coronation Hill in Australia, the Athabasca Basin in Canada, Stupna in the Czech Republic and the Zechstein deposits in Poland.

The gold mineralisation in the Crediton licence, albeit on the basis of limited exploration data, is unusual for the general absence of associated metals. There is no evidence of base metals, platinum group metals, arsenic, antimony, and little silver. However, the behaviour of manganese carbonate and barite/witherite minerals within the basin area requires further investigation to provide data on associated and possibly diagnostic minerals, and their importance to future geochemical based exploration programmes.

### **3.4 Resource Evaluation**

As previously mentioned, virtually all of the exploration effort completed to date has concentrated upon the Raddon Quarry area.

The results of the Raddon drilling programme show that the gold mineralisation is exclusively restricted to the basalts in concentrations of up to 7.06g/t Au. The drilling further shows that the gold is present in two defined populations, a) low grade finely dispersed gold within the basalt host rock, and b) higher grade irregularly distributed gold contained within carbonate veins/veinlets ranging from fine to coarse particulate grain size. With respect to the Raddon locality, it is this latter style that represents the economic target for gold mineralisation.

At Raddon, the principal late stage carbonate veining is sub-vertical and related to major northwest-southeast oriented fault zones. Those drillholes completed to date, suggest that there has been a re-mobilisation of gold (i.e. type b above) into the late stage veins/veinlets, which are commonest in the vicinity of the major faults. Whilst the drilling has broadly delineated the area underlain by basalt that is anomalous in gold, it has so far, failed to identify specific zones for which a tonnage and grade estimate of the gold content can be made. Given the sub-vertical nature of the gold-bearing structures at Raddon, an angle hole drilling programme will be required to determine the resource base, although this is assessed as a low priority within the context of the Crediton licence area

It is, however, concluded on the basis of work undertaken to date, that the Raddon Quarry area, whilst representing an interesting geological target and significant indicator for gold mineralisation, does not have the key characteristics for hosting an economically viable deposit.

As many other targets exist within the Crediton licence area, it is recommended that their exploration potential be tested to assess the resource base of gold mineralisation that may exist within the Crediton Trough. In particular, it is recommended that exploration work be focussed upon those areas of “unconformity-related” mineralisation where the gold may be associated with major carbonate bodies, rather than carbonate veining within basalt host rocks.

## **4. ASSET VALUATION METHODOLOGY**

Exploration work conducted within the Crediton licence area is at a relatively early stage, with the concentration of effort at the Raddon Quarry locality. Whilst, the drilling programmes completed at Raddon have failed to demonstrate a viable resource, they have demonstrated a widespread distribution of low grade gold in the basalt host rocks and localised high grade mineralisation within structurally controlled areas. The gold signature from the Raddon area is regarded as encouraging and adds considerable strength to the geological model proposed for the Crediton Trough.

In the absence of delineated resources within the Crediton licence area, the method of valuation relies upon a “fair value” assessment taking into account various favourable or unfavourable facets of the exploration work and thereby the justification for continued exploration effort. These facets include:

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- host rocks and collectors
  - source rocks
  - tectonic and structural setting
  - previous mining
  - exploration activity and success
  - access and infrastructure
  - stable political and legal system
  - environmental concerns

#### **4.1 Favourable Host Rocks and Collectors**

The favourability is assessed on the basis of the known geological environments for gold deposition which indicate the prospectivity of the licence area. Analogies with established gold producing areas elsewhere, suggest that the Crediton Trough is a favourable environment for hosting economic gold mineralisation.

#### **4.2 Source Rocks**

The presence of known source rocks in the geological system is an important factor in assessing the prospectivity of the licence area. The geological model of the Crediton Trough has identified the alkaline basalts as possible source rocks ('protore') in the geological system, and the presence of low grade gold mineralisation as identified by geochemical surveys and drilling is widespread.

#### **4.3 Tectonic and Structural Setting**

The existence of a favourable structural regime suitable for gold distribution and deposition is also a significant factor in assessing the level of prospectivity. Research studies conducted in the Crediton Trough suggest that structural controls have influenced the movement of basinal brines carrying gold mineralisation, and are at least partially responsible for the preparation of suitable sites for gold deposition.

#### **4.4 Previous Mining**

Previous mining activity and the exploitation of resources is commonly used as a strong indicator of commercial scale mineralisation for many different types of commodity. In this context and with the exception of small scale working in Roman times, the Crediton Trough does not have the advantage of a gold mining history.

#### **4.5 Exploration Activity and Success**

The investment made to date by the Company in terms of exploration expenditure has an intrinsic value in the establishment of the geological model and information database on the area. This aspect of valuation is often referred to as the 'replacement value', representing the cost to which a purchaser of the property title would need to expend to attain the same level of knowledge and understanding of the licence area.

However, the value rarely equates to the precise level of exploration expenditure, given that it does not include allowance for the trial and error factor of prospecting activities. In this respect, there are aspects of the Crediton exploration programme that have not added significant information and "value" to the database, e.g. the use of certain geophysics which have found the target host rocks to be unresponsive.

#### **4.6 Size of Area**

The Crediton licence area covers approximately 500 sq. km. of the Crediton Trough and its surroundings, including many of the known gold occurrences and gold anomalies identified from previous geochemical (MRP) surveys. The amalgamation of these target zones within a single licence area is also considered to be a positive factor affecting the value of the property title.

#### **4.7 Access and Infrastructure**

Access and infrastructure are commonly regarded as important components affecting the exploration and amenability of mineral deposits to extraction. The Crediton area is considered to have excellent access and infrastructure facilities.

#### **4.8 Stable Political and Legal System**

The value of mineral properties around the world is affected by political and economic risk factors, the existence of a favourable legal system and the security given to tenure. The Crediton area benefits from a favourable political and legal system.

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#### **4.9 Environmental Concerns**

The Crediton licence area is situated between two important National Parks, namely Exmoor and Dartmoor. However, there are no known conflicts (other than statutory planning constraints) with protected conservation areas that would affect the future development of mining activities.

#### **5. FAIR VALUE ASSESSMENT**

Using the asset valuation methodology presented in Section 4 above, the valuation parameters of the mineral assets of the Company have been assessed as follows:

- host rocks and collectors - favourable
- source rocks - favourable
- tectonic and structural setting - favourable
- previous mining - unfavourable
- exploration activity and success – moderately favourable
- access and infrastructure - favourable
- stable political and legal system - favourable
- environmental concerns - favourable

On this basis, the continued exploration of the Crediton licence area is justified with a reasonable expectation of identifying a commercial scale gold deposit.

#### **5.1 Statement of Fair Value**

Given the above justification for continued exploration work, the value of the property title is therefore attributable to a combination of the expectation of success and the quality of the information database provided (based upon discounted historical expenditure) to the purchaser.

In many established gold producing areas of the world, it is possible to confirm the level of a valuation based upon the known transaction prices of mineral properties. However, because these transaction prices necessarily reflect aspects such as political and economic risk and may be in regions notorious for gold production, such a comparison with the Crediton licence area is misleading. Additionally, there are no specific precedents for gold property transactions in the United Kingdom.

The Crediton licence area has, therefore, been assessed as follows:

##### **5.1.1 Value Attributed to the Early BGS Exploration and Database**

The BGS database is both extensive and of high quality, however, given that most of this information (e.g. the MRP programme) is available to the public its value is regarded as nominal (circa Stg£1,000).

##### **5.1.2 Value Attributed to the Crediton/BGS Exploration and Database**

Exploration budget records for the Crediton licence area show that total expenditure committed to the geological, analytical, mineralogical, drilling and geophysics programmes is about Stg£300,000 since 1996.

As the total expenditure can be considered as the maximum return on sale that a vendor may hope to receive, it is an industry accepted practice to apply a discount factor based upon the stage of development of the project. Whereas, much of the exploration expenditure on the Crediton licence has been committed to the Raddon Quarry drilling, this has failed to demonstrate an economic resource, though it has clearly contributed considerably to a closer understanding of the geological processes and the model for the mineralisation. The level of development of the remainder of the Crediton licence remains at an early stage and has progressed little above the regional prospecting of anomalies.

Of several valuation systems in use, a discount factor of 40% of the valid historical expenditure is commonly used for projects at a so called anomaly prospecting stage diminishing to 10% in cases where deposit definition has been undertaken by close spaced drilling.

As the Crediton licence area as a whole remains at the anomaly prospecting stage, a discount factor of 40% is considered to be appropriate, and on this basis the value attributed to the Company/BGS exploration work and database is Stg£180,000.

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### **5.1.3 Value Based upon the Expectation of Success**

No specific rules apply to the value based upon an expected favourable outcome to exploration, as it represents that premium which a knowledgeable and unforced purchaser is willing to pay a vendor of a mineral property.

In the case of the Crediton licence area, it is considered that there are favourable and justifiable reasons for the continued exploration activities that merit a premium value. However, in the absence of comparative data for the transaction of properties in the United Kingdom, such a value essentially lies in the goodwill paid to the vendor. In consideration of the parameters referred to in Section 4 of this report, a value of Stg£50,000 is regarded as appropriate.

### **5.1.4 Statement of Fair and Reasonable Value**

In accordance with the expression of value given above and methodology adopted for this valuation procedure, it is the view of AMCO Robertson that a fair and reasonable value of the Company's mineral assets in the Crediton licence area is Stg£230,000.

Yours faithfully

*Paul Boswell*  
**Director**

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## PART IV : RISK FACTORS

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Prospective investors should consider carefully the following factors in evaluating the Company and its proposed business. While the Directors and the Proposed Directors believe that there is merit in changing the nature and focus of the Company's business to that of an investment company, the proposed business of the Company is speculative and involves a high degree of financial and commercial risk. In the opinion of the Directors and the Proposed Directors, the following are the principal risk factors which should be taken into account in assessing an investment in the Company:

### General Investment Risks

- The Company may be unable to realise funds from investments which do not perform.
- The Company may be unable to identify suitable companies in which to invest.
- The Company may not be able to invest in those companies which it identifies as being suitable candidates.
- The Company is likely to have a minority interest in the companies in which it invests, possibly without any contractual safeguards in respect of management and operational matters.
- The Company's investment policy will be to invest in the shares of smaller companies and unquoted securities. Such investments may be difficult to realise, and in addition such companies frequently lack the financial strength, diversity and resources of larger companies and may find it more difficult to overcome, or survive, periods of economic slowdown or recession.
- The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others which are extraneous. Investors may realise less than the original amount invested and could lose their entire investment.
- An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly strongly advised to consult an investment adviser authorised under the Investment Intermediaries Act, 1995, if taking advice in Ireland or the Financial Services Act 1986 if taking advice in the United Kingdom before making any decision to invest.
- Potential investors should be aware that the value of shares and the income from them can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share quoted on the Official List of the London Stock Exchange.
- A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.
- The Company's business may be materially affected by the inability to recruit sufficient personnel of the right quality or qualifications, or by the loss of key personnel.
- The market value of the Ordinary Shares may not necessarily reflect the underlying net asset value of the Company.
- The Company may need to raise additional funds in the future to ensure future growth and expansion. Any equity offerings to new investors could result in earnings dilution for existing shareholders and investors in the Placing and Offer. Further, there can be no guarantee or assurance that additional funds can be raised when necessary.

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## Natural Resource Investment Sectoral Risks

- Investment in mining and exploration is inherently speculative, and involves a high degree of financial risk. The exploration and development mineral deposits requires substantial investment and no assurances can be given that the investee companies will be able to raise the entire funding required to fully develop their exploration acreage. Such investment involves a high degree of risk and results cannot be predicted.
- No assurances can be given that minerals will be discovered in economically viable quantities by any of the investee companies, nor that if discovered such reserves can be brought into profitable production. The speculative nature of mineral exploration is such that no assurance can be given that funds invested in the Company will be recoverable, or that any dividends will be paid on the Company's shares.
- Should the Company make investments in currency other than its reporting currency (Sterling) there is a risk from exchange rate fluctuations.
- The value of shares can go down as well as up. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to listing on the London Stock Exchange. Furthermore, the London Stock Exchange has not itself examined or approved the contents of this document.
- Any investments made by the Company in the natural resource sector may be subject to fluctuations in the value of metals and minerals and changes in commodity prices can make this sector particularly volatile from an investment perspective.
- The Company's activities are likely to face competition from other entities seeking to fund mining and exploration related businesses and provide services similar to those which will be offered by the Company. Some of these competitors may have significantly greater resources than the Company.
- The market perception of securities related to the mining and exploration sector may change and, accordingly, the value of the Ordinary Shares and of any investments made by the Company may decline.
- Consolidation within the mining and exploration sector could adversely affect the availability of investment opportunities for the Company.

**The risks listed above do not necessarily comprise all those associated with an investment in the Company.**

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## PART V : INFORMATION ON THE OFFER FOR SUBSCRIPTION

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The Company is proposing to raise a minimum of Stg£1 million and a maximum of Stg£1.5 million, before expenses, through the Placing. The Offer will raise additional funds for the Company. Details of the Offer are set out below.

The subscription list will open at 10.00 a.m. on 13 December, 2000 and will close as soon thereafter as WH Ireland shall determine but in any event not later than 3.00 p.m. on 12 January, 2001 (unless extended to a date and time not later than 3.00 p.m. on 18 January, 2001). The basis on which applications have been accepted is expected to be announced on or around 19 January, 2001.

Applications must be received by post or by hand at the offices of Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland to arrive as soon as possible, but in any case no later than 3.00 p.m. on 12 January, 2001 (unless extended to a date and time not later than 3.00 p.m. on 18 January, 2001).

It is expected that definitive certificates will be posted to successful applicants within one week of the closing of the Offer. Dealings prior to receipt of share certificates will be at the risk of the applicant(s). A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated, or at all.

Applications are made on the following terms:

- (1) Save where the context otherwise requires, definitions in this document bear the same meaning when used in the Application Form.
- (2) The contracts resulting from acceptances of applications under the Offer will be conditional on:
  - (a) acceptance; and
  - (b) the Placing Agreement becoming unconditional in all respects;  
  
in each case occurring not later than 3.00 p.m. on 22 January, 2001 or such later time and/or date as WH Ireland and the Company may agree, being not later than 3.00 p.m. on 25 January, 2001. If this condition is not satisfied, monies collected in respect of applications will be refunded by returning the applicant's cheque or bankers draft or by sending a cheque crossed "A/C Payee" in favour of the first named applicant in each case without interest and by post to the address of the first named applicant at the risk of the applicant(s).
- (3) For administrative reasons, the minimum amount that may be applied for is Stg£500 per applicant.
- (4) Cheques and banker's drafts may be presented for payment on receipt thereof by the Receiving Agents before the conditions stated in paragraph (2) above are satisfied and, pending allocation or allotment or return of application monies or any excess of such monies (in each case without interest), will be retained by the Receiving Agents in a separate account. The Receiving Agent may retain share certificates and surplus application monies pending clearance of each applicant's cheque or banker's draft.
- (5) The basis of allocation will be determined by WH Ireland in its absolute discretion after consultation with the Company in the event that the Offer is oversubscribed. An applicant may be allocated Ordinary Shares allotted by the Company in such proportions as WH Ireland in its absolute discretion may determine. Each acceptance of an application (whether in whole or in part) for the subscription of Ordinary Shares and these terms and conditions shall be construed accordingly.
- (6) WH Ireland may, in its absolute discretion, reject in whole or in part or scale down any application including, without limitation, any application which is considered by WH Ireland to have been made by a nominee unless such application is accompanied by written confirmation of the identity of the intended beneficial owner. WH Ireland reserves the right to reject any application in respect of which the applicant's cheque or banker's draft has not been cleared by noon on 25 January, 2001. If any application is not accepted, or is accepted for fewer Ordinary Shares than the number applied for, the application monies or the balance thereof will be refunded by returning the applicant's cheque or banker's draft, or by sending a cheque crossed "A/C Payee" in favour of the first named applicant, in each case by post, to the address of the first named applicant without interest at the risk

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of the applicant(s). WH Ireland may treat as invalid any application which has not been completed in all respects in accordance with the instructions accompanying the Application Form or which is not accompanied by a power of attorney where necessary.

- (7) Application must be made on the Application Form. By completing and delivering the Application Form each applicant:
- (a) offers to acquire the number of Ordinary Shares specified in the Application Form (or such smaller number for which his application may be accepted) at the Offer Price on the terms and subject to the conditions set out in the Application Form (of which these terms and conditions and the Procedure for Application form part), this document dated 13 December, 2000 and the Memorandum and Articles of Association of the Company;
  - (b) authorises the Receiving Agents to send a share certificate for the number of Ordinary Shares for which his application is accepted and/or a cheque crossed "A/C Payee" for any monies returnable (without interest) by post to his address (or that of the first named applicant) as set out in his Application form at his risk and to procure that his name together with the name(s) of any other joint applicant(s) is/are placed on the register of members of the Company in respect of such Ordinary Shares;
  - (c) warrants that his cheque or banker's draft will be honoured on first presentation and agrees that if the cheque or banker's draft is not so honoured he will not be entitled to receive a share certificate in respect of the Ordinary Shares applied for or to enjoy or receive or transfer any rights or distributions in respect of any Ordinary Shares unless and until payment in cleared funds is made by him for the Ordinary Shares and that payment is accepted by Computershare on behalf of the Company (which acceptance shall be Computershare's absolute discretion and may be on the basis that he indemnifies WH Ireland and the Company against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of his cheque or banker's draft to be honoured on first presentation) and that at any time prior to unconditional acceptance by WH Ireland of the late payment, WH Ireland (on behalf of the Company) may (without prejudice to any other rights that it or they may have and without any liability) avoid the agreement to allocate such Ordinary Shares to the applicant and may re-allocate such Ordinary Shares to some other person, in which case he will not be entitled to any refund or payment (other than the return of such late payment) in respect of the Ordinary Shares provided that if a share certificate is issued and/or a cheque is returned to an applicant before his cheque is cleared then if the applicant's cheque does not clear on presentation the applicant authorises the Receiving Agents to cancel the cheque returned to the applicant and authorises WH Ireland to sell the Ordinary Shares comprised in the share certificate on behalf of the applicant and retain all monies received from such sale for the benefit of the Company including any premium obtained above the Offer Price and the applicant will remain liable to the Company in respect of the shortfall on the Offer Price, and WH Ireland shall have no liability to the applicant or the Company in respect of the price obtained or timing of such sale;
  - (d) in consideration of WH Ireland agreeing that it will consider and process applications for the Ordinary Shares in accordance with the procedures referred to in this document and as a separate collateral contract between him and WH Ireland which will become binding on despatch by post of his Application Form to or, in the case of applications delivered by hand, upon receipt of his Application Form by the Receiving Agent:
    - (i) agrees that his application may not be revoked until after 22 January, 2001; and
    - (ii) agrees that promptly upon request being made, he will supply WH Ireland in writing with any information reasonably requested in respect of his application;
  - (e) agrees that all applications, acceptances of applications and contracts resulting under the Offer shall be governed by and construed in accordance with English law and further submits to the non-exclusive jurisdiction of the English courts and agrees that nothing shall limit the rights of the Company or WH Ireland to bring any action, suit or proceeding arising out of or in connection with any such applications, acceptances or applications or contracts in any other manner permitted by law or in any court of competent jurisdiction;
  - (f) warrants that if he signs an Application Form on behalf of any other person(s) (including a company) he has due authority to do so and that such persons will also be bound by the terms and conditions of application and be deemed to have given the confirmations, warranties and undertakings contained in it;
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- (g) warrants that he is not, and is not applying as a nominee or agent for a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) or equivalent legislation in any other jurisdiction;
- (h) confirms that, in making his application, neither he nor any person on whose behalf he is applying is relying on any information or representation in relation to the Company or any member of the Group other than such as may be contained in this document and accordingly agrees that neither WH Ireland nor the Company nor the Directors nor any other person acting on behalf of any of them nor any person responsible solely or jointly for this document or any part of this document shall have any liability for any such other information or representation;
- (i) irrevocably authorises the Receiving Agents or WH Ireland or their agent to do all things necessary to effect registration in his name(s) of any Ordinary Shares agreed to be subscribed for by him and authorises any representative of the Receiving Agents or WH Ireland to execute and/or complete any document of title required for those shares;
- (j) warrants that he is not a person in the United States and is not applying on behalf of or with a view to the re-offer, sale, transfer, delivery or distribution to, or for the benefit of, any person within the US or who is a US person, and will not, as principal or agent, offer, sell, transfer, renounce, deliver or distribute, directly or indirectly, any Ordinary Shares being acquired by him to any person within the US or who is a US person. As used herein "United States" or "US" means the United States of America (including the States thereof and the District of Columbia) its territories and possessions and "US person" means any person or entity defined as such in Rule 902(o) under the United States Securities Act of 1933 (as amended);
- (k) warrants that he is not and is not applying on behalf of a Canadian person (which expression shall mean any individual resident in Canada, any corporation, partnership or firm organised under, incorporated, or governed by the laws of Canada (or any political sub-division thereof), any branch in Canada of a corporation, partnership or firm incorporated or established outside Canada any investment fund, estate or trust organised under or governed by the laws of Canada (or any political sub-division thereof)) and is not applying on behalf of, or with a view to the re-offer, sale or transfer to, or for the benefit of, any such person;
- (l) warrants that he is (an if applicable, is applying on behalf of a person who is) not located or resident outside the United Kingdom, Ireland, Guernsey, Jersey or the Isle of Man;
- (m) warrants that, in connection with his application, he has complied with and observed the laws of all relevant territories, obtained any requisite governmental or other consents which may be required, complied with all requisite formalities, and paid all issue, transfer or other taxes due in connection with his application in any territory and that he has not taken any action or omitted to take any action which will or may result in WH Ireland or the Company or any of their respective directors, officers, agents or employees acting in breach of the legal or regulatory requirements of any territory in connection with the Offer or his application;
- (n) agrees that, having had the opportunity to read this document, he shall be deemed to have notice of all information and representations contained in it;
- (o) agrees that Davy Stockbrokers and WH Ireland are advising the Company in connection with the Offer and no-one else and that Davy Stockbrokers and WH Ireland will not be responsible to him or to anyone other than the Company for providing the protections afforded to customers of Davy Stockbrokers and/or WH Ireland or for providing advice in relation to the Offer; and
- (p) warrants that he is not, and is not applying on behalf of, a person who is under the age of 18 on the date of his application, save that he may apply in his own name for the benefit of such person, as described in the Procedure for Application.
- (8) Acceptance of an application will be effected at the election of WH Ireland by notification from WH Ireland to the Receiving Agent.
- (9) No person receiving a copy of this document and/or an Application Form in any territory other than Ireland and the United Kingdom, Ireland, Guernsey, Jersey or the Isle of Man may treat the same as constituting an invitation or offer to him.
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- (10) The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities laws of Canada. Ordinary Shares may not be offered, sold, renounced, transferred or delivered, directly or indirectly, in the US or Canada or to, or for the benefit of, any US person, any Canadian person or to any person purchasing such shares for re-offer, sale, renunciation or transfer in the US or Canada or as a result of a purchase order known to originate in the US or Canada. The Company has not and will not be registered under the United States Investment Company Act of 1940 (as amended).
  - (11) No liability to stamp duty or stamp duty reserve tax will arise on the allotment of Ordinary Shares by the Company. Any person who has any doubt about his taxation position should consult his professional advisers. In respect of Irish taxation, your attention is drawn to the section on Irish Taxation in Part VI.
  - (12) To ensure compliance with the Money Laundering Regulations 1993 and any applicable money laundering requirements in Ireland the Receiving Agent may, at its absolute discretion, require verification of identity from an applicant and, without prejudice to the generality of the foregoing in particular any person who either (i) tenders payment by way of a cheque or bankers' draft drawn on an account in the name of a person or persons other than the applicant or (ii) appears to the Receiving Agent to be acting on behalf of some other person.

For applicants resident in Ireland and the United Kingdom, this may involve verification of names and addresses through a reputable agency. For non-UK resident applicants, verification of identity may be sought from the applicant's banks or from other reputable institutions or professional advisers in the applicant's country of residence.

By lodging an Application Form, each applicant undertakes to provide such evidence of identity at the time of lodging an Application Form, or in the absolute discretion of the Company, within a reasonable time thereafter (in each case to be determined at the absolute discretion of the Company and the Receiving Agent) as may be required to ensure compliance with the Laundering Regulations.

WH Ireland is entitled to treat as invalid any applications for Ordinary Shares comprised in an Application Form if by 3.00 p.m. on 18 January, 2001 the Receiving Agent has determined pursuant to procedures maintained under the Laundering Regulations that satisfactory evidence as to identity has not been and is unlikely to be received within reasonable period of time in respect of the Application Form in question.

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## PART VI : ADDITIONAL INFORMATION

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### 1. INCORPORATION AND REGISTRATION

The Company was incorporated on 21 December, 1993 as Lawgra (No. 232) Limited. It changed its name to Russiamoney Publications Limited on 23 March, 1994, to Minmet (UK) Limited on 12 September, 1995, to Crediton Minerals Limited on 8 July, 1996 and was re-registered on 6 September 1996 as a public limited company. A certificate to trade under Section 117(1) of the Companies Act 1985 (“the Act”) was issued by the Registrar of Companies on 6 September 1996. The principal legislation under which the Company operates is the Act.

The liability of the members of the Company is limited. The Company’s registered office is Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL.

### 2. DIRECTORS’ AND OTHER INTERESTS

(a) The Directors and the Proposed Directors of the Company, all of Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL, their executive functions and the companies and partnerships of which each such person has been a director or partner at any time in the past five years, and where indicated of which each is currently a director or partner are set out below:

Jeremy Metcalfe – Executive Chairman

<i>Directorship/Partnerships:</i>	<i>Current</i>	<i>Previous</i>
	Crediton Minerals plc	City Venture Properties Limited
	Minmet plc	Minmet (Bolivia) Limited
	Connary Minerals plc	Groundsland Limited
	Connary Technology plc	
	JP Metcalfe Associates	
	Zabaikal Mining Corporation Limited	
	Anagram Limited	
	Minmet (IOM) Limited	

Michael Nolan – Executive Director

<i>Directorship/Partnerships:</i>	<i>Current</i>	<i>Previous</i>
	Crediton Minerals plc	Euroglen Limited (in liquidation)
	Minmet plc	Groundsland Limited
	Connary Minerals plc	Solent Trees Limited
	Connary Technology plc	Sailsbury Landscapes Limited
	Zabaikal Mining Corporation Limited	Russiamoney Limited (now called eMisis Infocom Group plc)
	J S Consult Limited	Emerging Markets Data plc
	Jostle Stone Group Limited	Minmet (Bolivia) Limited
	Adelaide Capital Corp. Limited	Emerging Money plc
	Anagram Limited	
	Minmet (IOM) Limited	

Gordon Riddler – Executive Director

<i>Directorship/Partnerships:</i>	<i>Current</i>	<i>Previous</i>
	Crediton Minerals plc	Leeds Mineral Services Group Limited (in liquidation)
	Minmet plc	
	Connary Minerals plc	

Seamus Maher - Proposed Executive Director

<i>Directorship/Partnerships:</i>	<i>Current</i>	<i>Previous</i>
	Minmet Plc	None

Hugh McCutcheon - Proposed Non-executive Director

<i>Directorship/Partnerships:</i>	<i>Current</i>	<i>Previous</i>
	ABN Amro Corporate Finance (Ireland) Limited	Sawley Limited
	Drury Communications Holdings Limited	Davy Corporate Finance Limited
	Drury Sports Management Limited	

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Save as disclosed below, none of the Directors or Proposed Directors identified above has:

- (i) any unspent convictions in relation to indictable offences;
- (ii) been the subject of bankruptcy proceedings or an individual voluntary arrangement;
- (iii) been a director of any company at the time of or within 12 months preceding its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, entry into company voluntary arrangements or entry into any composition or arrangement with its creditors generally or any class of its creditors, except for;

***Michael Nolan***

Hall of Names Limited was placed in Creditors Voluntary Liquidation in 1993. Mr. Nolan was a director within one year of its formal liquidation. The liquidators' report makes no adverse comment with regard to Mr. Nolan's directorship. No Director received any public criticisms by statutory or regulatory authorities.

Euroglen Limited was placed in Creditors Voluntary Liquidation in 1995. Mr. Nolan was a director within one year of its formal liquidation. The liquidators' report makes no adverse comment with regard to Mr. Nolan's directorship. No Director received any public criticisms by statutory or regulatory authorities.

***Gordon Riddler***

Leeds Mineral Services Group Limited was placed in Creditors Voluntary Liquidation in 1997. Mr. Riddler was a director within one year of its formal liquidation. The liquidators' report makes no adverse comment with regard to Mr. Riddler's directorship. No Director received any public criticisms by statutory or regulatory authorities.

- (iv) been a partner in a partnership at the time of or within 12 months preceding such partnership's compulsory liquidation, administration or partnership, voluntary arrangement or the receivership of any of its assets;
  - (v) sold any assets subject of a receivership;
  - (vi) been the subject of public criticism by any statutory or regulatory authority (including recognised professional bodies); or
  - (vii) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- (b) The interests, as defined in section 324 (as extended by Section 328) and Schedule 13 of the Act, of the Directors and the Proposed Directors and of their families, all of which are beneficial, in the ordinary share capital of the Company are as follows:

At the date of this document the Directors and the Proposed Directors have a beneficial interest in the ordinary share capital of the Company and hold options over Ordinary Shares (before the Bonus Issue) in the Company as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Share Capital</i>	<i>Number of Options</i>
Jeremy Metcalfe	25,000	0.27%	150,000
Michael Nolan	25,000	0.27%	150,000
Hugh McCutcheon	5,000	0.05%	—

The total number of options in issue at the date of this document is 600,000 exercisable at Stg10p each. Resolution 12 proposes to cancel all outstanding options.

At the date of this document the Directors and the Proposed Directors have a beneficial interest in the ordinary share capital of MinMet and hold options over Ordinary Shares in that Company as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Share Capital</i>	<i>Number of Options</i>
Jeremy Metcalfe	2,527,296	0.54%	5,900,000
Michael Nolan *	808,333	0.17%	6,566,667
Gordon Riddler	176,282	0.04%	2,400,000
Seamus Maher	Nil	Nil	400,000

\* 666,667 of the options granted to Michael Nolan relate to Connary Minerals, a wholly owned subsidiary of MinMet.

- (c) Save as disclosed herein, no Director (or member of his family) has any interest, beneficial or non-beneficial, in the share capital of the Company.
- (d) The aggregate of the remuneration paid and benefits in kind granted to the Directors in respect of the Group's financial year ended 31 December, 1999 was £Nil and in respect of the current financial year is estimated, under the arrangements in force at the date of this document, to be £Nil.
- (e) There is no arrangement under which any Director has agreed to waive future emoluments nor have there been any such waivers of emoluments during the financial year ended 31 December, 1999
- (f) Save as disclosed in this document, no Director has or has had any interest, direct or indirect, in any transactions effected by the Company since 31 December, 1999 where they remain in any respect outstanding or unperformed and any of which are or were unusual in their nature or conditions or significant in relation to the Company and its subsidiaries.
- (g) Save as disclosed herein, there are no outstanding loans or guarantees provided by the Company to or for the benefit of any of the Directors.
- (h) The Company has been notified of interests in 3% or more of its share capital immediately prior to the Placing and Offer as follows:

<i>Name</i>	<i>Number of Shares</i>	<i>%</i>
Minmet PLC	7,176,471	78.73

- (i) Save as disclosed in paragraph (h) the Directors are not aware of any other interests (within the meaning of Part IV of the Act) which represent 3% or more of the issued share capital of the Company and are not aware of any persons who directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- (j) Jeremy Metcalfe, Michael Nolan, Gordon Riddler and Seamus Maher are directors of MinMet, who have either contracts of service or are employees of MinMet. In addition, Jeremy Metcalfe, Michael Nolan, and Gordon Riddler are shareholders in MinMet.
- (k) The Directors, Proposed Directors, employees and their respective associates (except employees or associates holding less than 1% of the shares in the Company) and MinMet have undertaken that they will not dispose of any beneficial interests in any Ordinary Shares held by them for one year from the date of admission to AIM.

### 3. SHARE CAPITAL

- (a) On incorporation, the authorised share capital of the Company was £10,000 divided into 10,000 Ordinary Shares of £1 each, of which one Ordinary Share was issued at par.
- (b) The following is a summary of changes which have occurred in the amount of the authorised and issued share capital since incorporation:

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- I. On 9 August, 1996, the authorised share capital of the Company was increased to £1,000,000 by the creation of an additional 990,000 ordinary shares of £1 each ranking *pari passu* in all respects with the existing authorised and issued ordinary shares of £1 each;
  - II. On 9 August, 1996 MinMet were allotted 59,999 ordinary shares of £1 each at par;
  - III. On 21 August, 1996, members' written resolutions were passed for the following purposes:
    - (a) subdividing each issued and each authorised but unissued ordinary share in the capital of the Company into one hundred (100) Ordinary Shares of 1p each;
    - (b) authorising the re-registration of the Company as a public limited company pursuant to the Act.
- (c) Under the existing Articles of Association of the Company
- I. all unissued shares of the company are at the disposal of the Directors who may allot, grant options over, offer or otherwise deal with or dispose of any such shares to such persons (including Directors) at such times and generally on such terms and conditions and in such manner as the Directors think proper;
  - II. the Directors are generally and unconditionally authorised pursuant to section 80 of the Act to exercise all powers of the Company to allot relevant securities of up to a maximum nominal amount of £908,000 at any time prior to 2 September, 2001 or, if earlier, the Company's next annual general meeting, and the Directors may allot relevant securities after such date pursuant to any offer or agreement made by the Company before such date;
  - III. the Directors are empowered pursuant to sections 95 of the Act to allot equity securities for cash pursuant to the authority referred to in the previous paragraph (without being first required to offer such securities to existing shareholders in accordance with their pre-emption rights under Section 89(1) of the Act) pursuant to a rights issue and, otherwise up to a maximum of the greater of (i) a maximum nominal amount of £15,870 or (ii) such number of equity securities which at the price at which they are issued, shall raise up to £300,000 in capital, and the Directors may allot equity securities after the expiry of such power pursuant to any offer or agreement made by the Company before such expiry;
  - IV. shareholders will not have any pre-emption rights in respect of any transfers of issued shares in the Company's share capital.
- (d) Under the proposed new Articles of Association
- I. all unissued shares and all shares created in the future shall be under the control of the Board which may allot, grant options over or otherwise dispose of them on such terms and at such times as the Board may think proper.
  - II. the Company may pass an ordinary resolution authorising the Directors pursuant to section 80 of the Act to allot relevant securities provided that the nominal amount of such securities (where they are shares) shall not exceed in aggregate the sum specified in an ordinary resolution (and where such securities are not shares the nominal amount of the shares in respect of which such securities confer the right to subscribe or convert shall not exceed the aggregate sum specified in an ordinary resolution). Any such authority shall expire at the conclusion of the annual general meeting of the Company following the passing of the ordinary resolution. The Company shall be entitled to make an offer or agreement which might require relevant securities to be allotted after such expiry and the Directors shall be entitled to allot securities as if such authority had not expired.
- (e) Save as disclosed herein, no share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.
- (f) Following the Placing and Offer the authorised share capital of the Company will be £10,000,000 divided into 1,000,000,000 Ordinary Shares of 1p each and, assuming no exercise of options and on the assumption that all the shares in the Placing and Offer are fully subscribed for, the issued share capital will be £7,921,908 divided into 792,190,796 Ordinary Shares of 1p each. All of the issued Ordinary Shares will be fully paid.
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- (g) The provisions of section 89 of the Act (which, to the extent not disapplied pursuant to section 95 of that Act, confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash, other than by way of allotment to employees under an employees' share scheme) apply to the authorised but unissued share capital of the Company to the extent not disapplied by the shareholders in general meeting. These provisions have been disapplied under the Articles of Association described in paragraph 5 below.
- (h) Save as disclosed above, since incorporation, no share or loan capital of the Company has been allotted or issued (whether fully or partly paid up or whether for cash or otherwise) and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of such capital.
- (i) All Ordinary Shares currently in issue are in registered form. The New Ordinary Shares can be held in registered or uncertificated form.
- (j) The following table shows the authorised and issued and fully paid share capital of the Company as at the date of this document and as it will be following the Placing and Offer (assuming full subscription) and the Bonus Issue:

<i>Ordinary Shares of 1p each</i>	<i>Present</i>		<i>Following the Placing and Offer (assuming full subscription) and the Bonus Issue</i>	
	<i>Authorised</i>	<i>Issued and fully paid</i>	<i>Authorised</i>	<i>Issued and fully paid</i>
Nominal value (£)	5,000,000	91,550	10,000,000	7,921,907.96
Number	500,000,000	9,115,496	1,000,000,000	792,190,796

- (k) The new Ordinary Shares which are to be made available pursuant to the Placing and Offer are to be issued to raise working capital for the Company. Assuming full subscription the total amount of the proceeds to be raised under the Placing and Offer before expenses is £15,000,000. The total expected net proceeds, after the deduction of expenses, is, assuming full subscription, £14,620,000. The expenses of the Placing and Offer (assuming full subscription) which are payable by the Company are estimated to be £380,000 including estimated commissions of £218,000.

#### 4. SHARE OPTION SCHEME

The following is a summary of the share option scheme (the "Scheme") adopted by the Company:

(a) **Term of Scheme**

Options (which may relate to new or existing shares) may not be granted under the Scheme more than ten years after the date of adoption of the Scheme.

(b) **Eligibility**

Employees, executives and other officers and directors of the Company, the Company's holding company and its subsidiaries are eligible to participate at the discretion of the Board. £1 consideration is payable for the grant of options and options are not transferable other than in accordance with the Scheme.

(c) **Shares and exercise price:**

- i. Shares allotted on the exercise of options will rank *pari passu* with existing Ordinary Shares of the Company except that they will not rank for dividends paid by reference to a record date falling before the date of allotment.
- ii. The exercise price will be determined by the Board from time to time but will not be less than the higher of:
  - (aa) the average price at which deals have been done on Ofex in the month prior to the date of grant of the option or, if none were done in that month, the price of the last trade on Ofex (or, if the option is granted before the end of one month after trading commences, the price at which the shares were offered in the Offer), or, if the Company's shares become traded on a market of the Stock Exchange, the midmarket closing price on the dealing day before the date of grant; and
  - (bb) the nominal value of the share.

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It is proposed to amend the provisions of 4(c)(i) and 4(c)(ii)(aa) above to refer to AIM.

**(d) Limits**

No options may be granted under the Scheme which would cause the number of shares issued or issuable under all share options granted by the Company which have not lapsed during the ten years up to the grant of an option, or issued during that period under any share scheme adopted by the Company, to exceed 10% of the Company's issued ordinary share capital from time to time.

**(e) Exercise of options**

Options may normally be exercised in whole or in part at any time after the date of grant and before the expiry of ten years from the date of grant. Options normally lapse on cessation of involvement with the Company, the Company's holding company or the Company's subsidiaries. Exercise is, however, permitted in certain circumstances including upon the termination of employment of an employee on compassionate grounds or at the discretion of the Board.

**5. MEMORANDUM AND ARTICLES OF ASSOCIATION**

The principal objects of the Company are to carry on the business of a general commercial company including exploration and mining of gold, silver and other precious metals and other mineral and geological resources in any part of the world. The objects of the Company are set out in full in Clause 4 of its Memorandum of Association.

It is proposed to amend the Memorandum of Association to provide that the principal objects of the Company shall include to purchase or acquire or invest in any real estate, shares, stocks, warrants and partnership interests. The proposed amendment is attached in full to the Notice of EGM which is set out at the end of this document.

The existing Articles of Association of the Company contain provisions, inter alia, to the following effect:

**(a) Share Capital**

The Company may alter its share capital and may issue shares in its increased share capital by ordinary resolution.

**(b) Purchase of Own Shares**

The Company may purchase any of its shares subject to the provisions of and to the extent permitted by the Act.

**(c) Variation of Right**

The rights and privileges for the time being attaching to any class of shares forming part of the issued share capital of the Company may be varied or taken away with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

**(d) Rights attaching to the Ordinary Shares**

*i. Dividends*

Subject to the rights of the holders of future shares, holders of Ordinary Shares are entitled to participate in the profits of the Company available for dividend and resolved to be distributed.

*ii. Return of capital*

If the Company is wound-up the liquidator may with the sanction of an extraordinary resolution of the Company divide among the members in specie or in kind the whole or any part of the assets of the Company and may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator with the like sanction shall think fit. None of the Ordinary Shares are redeemable by the Company although in certain circumstances the Company may be permitted to purchase Ordinary Shares in accordance with the Act.

*iii. Voting*

Members are entitled to receive notice of and to attend any general meeting of the Company. On a show of hands every holder of Ordinary Shares who is present in person at any general meeting and entitled to vote shall have one vote and on a poll every such member who is present in person or by proxy and entitled to vote shall have one vote for every Ordinary Share held by him.



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(e) **Modification of rights**

All or any of the special rights and privileges for the time being attached to any class of shares for the time being forming part of the capital of the Company may, subject to the provisions of the Act, be altered or abrogated with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such general meeting all the provisions of the Articles of Association of the Company as to general meetings of the Company mutatis mutandis apply, but so that the necessary quorum is two persons holding or representing by proxy not less than one third in nominal amount of the issued shares of the class, that every holder of shares of the class is entitled on a poll to one vote for every such share held by him and that if at any adjourned meeting of such holders a quorum as aforesaid be not present those of such holders who are present in person or by proxy are a quorum.

(f) **Transferability**

The Board may in its absolute discretion and without giving any reason decline to register the transfer of a share which is not a fully paid share to a person of whom it shall not approve and the Board may also decline to register the transfer of a share on which the Company has a lien.

Shareholders will not have any pre-emption rights under the Company's Articles of Association in respect of transfers of issued Ordinary Shares in the Company.

(g) **Unclaimed dividends**

All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the payment by the Board of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed for 12 years after having been declared will be forfeited and revert to the Company.

(h) **Restrictions on shares**

If a member or any person appearing to be interested in shares in the Company has been duly served with a notice under Section 212 of the Act and is in default for 14 days from the date of service of such notice in supplying to the Company the information thereby required, the Board of the Company may serve on such member a notice (a "Direction Notice") in respect of the shares in relation to which the default occurred ("default shares") directing that a member shall not be entitled to vote at any general meeting of the Company, either personally or by proxy.

(i) **Lien**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether immediately payable or not) called or payable at a fixed time in respect of that share and the Company's lien on a share shall extend to all dividends payable thereon.

(j) **Forfeiture**

A share in respect of which a call has been made and which is outstanding at the date fixed for payment is liable to forfeiture. A person whose shares have been forfeited remains liable to all monies in respect thereof at the date of forfeiture.

(k) **Directors**

The number of directors shall not be less than two and not more than fifteen. A director shall not require any shareholding qualification and shall not be required to retire on attaining any specific age.

**New Memorandum and Articles of Association**

The new Articles of Association of the Company contain provisions, inter alia, to the following effect:

(aa) **Share Capital**

Same as paragraph (a) above. Provision is made for uncertified shares. Share Warrants to the bearer may be issued.

(bb) **Purchase of Own Shares**

Same as paragraph (b) above.

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**(cc) Variation of Right**

Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares will be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares which rank in priority to them for payment of a dividend or repayment of capital.

**(dd) Rights attaching to Ordinary Shares**

*Dividends*

The Board may deduct from any dividend payable to a member all sums of money payable by him to the Company.

**(ee) Restrictions on Shares**

Any Direction Notice (as outlined in paragraph (h) above) shall cease to have effect on the expiry of five business days after receipt by the Company in writing of all information required in respect of the default shares.

**(ff) Lien**

The Board may sell any shares subject to a lien by only if the sum in respect of which the lien exists is presently payable or discharged.

**(gg) Forfeiture**

Every share which is forfeited will become the property of the Company, and although the Shareholder ceases to be a member in respect of these shares, he shall remain liable to pay all calls made and not paid on such shares at the time of forfeiture.

**(hh) Directors**

The number of Directors shall not be less than two but there is no maximum number. A director shall not require any shareholding qualification and shall not be required to retire on attaining any specific age, unless, an ordinary resolution determines that he should retire by reason of his attaining the age of 70. Directors shall not retire by rotation.

**(ii) Notices**

Any notice to be given to or by any person, shall be in writing with the exception of a notice calling a meeting of the Board. Shareholders resident outside the United Kingdom who have not supplied the Company with an address within the United Kingdom for the service of such notices shall not be entitled to receive notices from the company.

**6. NOTICES TO SHAREHOLDERS RESIDENT IN IRELAND**

For the purposes of the Irish Regulations, notices from the Company shall be given to Shareholders resident in Ireland if they provide a United Kingdom address to the Company.

**7. SERVICE CONTRACTS**

There are no Service Contracts in existence between the Company and any Director of the Company. There is no proposed remuneration for existing and proposed executive directors and it is envisioned that fees payable to non-executive directors shall be Stg£5,000 per annum each. The existing Share Option Scheme as outlined in paragraph 4 of Part VI of this document shall be available to directors and executives of the Company as set out under the terms of the Share Option Agreement.

**8. TAXATION**

The information contained in this document relating to taxation is a summary of the taxation matters that the Directors consider should be brought to the attention of prospective investors. The following statements are intended as a general guide only, do not constitute tax advice and are based upon current law and practice in the United Kingdom and the Republic of Ireland which may change. Prospective investors should consult their own professional advisers on the implications of buying, holding or disposing of Ordinary Shares in the Company.

The information below applies only to persons who are the beneficial owners of their shares and who hold those shares as investments and does not apply to certain categories of shareholders such as dealers.

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## **United Kingdom**

### *(a) Taxation of dividends and distributions*

Under current United Kingdom taxation legislation there is no withholding tax on dividends.

A holder of an Ordinary Share, who is an individual resident for tax purposes in the United Kingdom and who receives a dividend paid by the Company, will be entitled to a tax credit of an amount equal to one-ninth of the dividend paid. The individual will generally be liable to income tax on the total of the dividend and the related tax credit (the "gross dividend"), which will be regarded as the top slice of the individual's income. The tax credit, will however, be treated as discharging the individual's liability to the lower or basic rates of income tax in respect of the dividend. If the tax credit exceeds the shareholder's overall liability to income tax, he will be unable to claim payment of the excess in cash from the Inland Revenue. To the extent that the gross dividend (when added to the individual's other taxable income) falls above the threshold for the higher rate of income tax (currently £28,400 of taxable income) the individual will pay tax on the excess. This will be calculated as the difference between the higher tax rate on the gross dividend income (32.5%) over the lower rate (currently 10%).

A United Kingdom resident corporate shareholder in receipt of dividend income from another UK resident company will not be taxable on this income.

Whether the holders of Ordinary Shares in the Company who are resident in countries other than the United Kingdom are entitled to repayment from the Inland Revenue of a portion of the tax credit in respect of dividends on such Ordinary Shares depends in general upon the provisions of any double tax treaty which exists between such countries and the United Kingdom. The reduction in the tax credit from 6 April 1999 has generally eliminated any such repayments. Persons who are not resident in the United Kingdom should consult their own tax advisers on the possible application of such provisions and what relief or credit may be claimed in the jurisdiction in which they are resident.

### *(b) Taxation of chargeable gains*

The transfer or disposal of Ordinary Shares may give rise to a chargeable gain or allowable loss for the purposes of United Kingdom taxation of chargeable gains. United Kingdom capital gains tax (or for companies, corporation tax on chargeable gains) generally applies only to persons resident, or individuals ordinarily resident, in the United Kingdom and to persons not so resident who carry on a trade in the United Kingdom through a branch or agency for whose purpose the assets disposed of were held. Gains arising to individuals who leave the UK for less than five years may also be taxed on their return. Gains arising to holders of Ordinary Shares taxed as dealers in securities may be treated as income and taxed as such.

### *(c) Stamp Duty and Stamp Duty Reserve Tax*

No stamp duty or stamp duty reserve tax will arise on the issue of Ordinary Shares. The conveyance or transfer on sale of the Ordinary Shares will generally be subject to ad valorem stamp duty (currently at the rate of 50p per £100 (or part thereof) on the amount of the consideration) or (in the case of an unconditional agreement to transfer Ordinary Shares not completed immediately by a duly stamped transfer to the transferee under that agreement or a transfer on a paperless basis through CREST) stamp duty reserve tax (currently at the rate of 0.5% of the amount or value of the consideration).

## **Republic of Ireland**

### *(a) Taxation of the Company*

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider to be reasonably practical, any liability to taxation of the Company in Ireland. This includes an intention to manage and conduct the affairs of the Company so that it is not resident in Ireland for Irish tax purposes.

Furthermore, the directors intend to conduct the affairs of the Company so that it is not regarded as carrying on a trade in Ireland either through a branch or agency or otherwise. On that basis, the Company will not, save as mentioned below, be assessable to tax in Ireland.

Interest and other income paid from an Irish source may, in certain circumstances, in accordance with the terms of the double tax treaty between Ireland and the United Kingdom, be subject to income tax in Ireland.

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(b) *Taxation of Shareholders*

Under current Irish law and practice shareholders who are resident or who are ordinarily resident in Ireland for Irish tax purposes or whose investment is connected to a business carried on in Ireland will be subject to Irish income tax or corporation tax in respect of any income distributions of the Company. When an Irish resident or ordinarily resident shareholder receives a dividend from the Company, the dividend will be subject to Irish tax. Where such a shareholder is also liable to UK tax on dividends, credit may be available for the UK tax paid against the Irish liability in accordance with the terms of the double tax treaty between Ireland and the United Kingdom (“the Treaty”). Investors should consult their own tax advisors on the possible application of the Treaty provisions and on what relief or credit against double taxation may be claimed by them.

Irish resident corporate shareholders which are close companies for Irish taxation purposes may also be subject to a 20% corporate tax surcharge on income distributions received from the Company.

Shareholders who are resident or ordinarily resident in Ireland, will be subject to Irish capital gains tax or corporation tax in respect of gains arising from the disposal of Ordinary Shares. In addition, shareholders whose shareholding relates to a trade carried on by them through a branch or agency in Ireland, or whose shares derive the greater part of their value directly or indirectly from certain Irish assets, will be subject to Irish capital gains tax or corporation tax in respect of gains arising from the disposal of Ordinary Shares.

(c) *Stamp Duty*

No charge to Irish stamp duty will arise on the issue of Ordinary Shares. Transfers of Ordinary Shares will be exempt from Irish stamp duty provided that such transfers do not relate to:

- (i) any immovable property situated in the State or any right over or interest in such property; or
- (ii) any stocks or marketable securities of a company having a register in the State.

Any person who is in any doubt as to his tax position should consult an appropriate professional advisor.

## **9. LITIGATION**

The Company is not engaged in any litigation or arbitration proceedings nor is any litigation or arbitration or claim of material importance pending or threatened against the Company.

## **10. WORKING CAPITAL**

In the Company’s and the Directors’ opinion, having made due and careful enquiry, the working capital available to the Company is sufficient for its present requirements, that is, at least the period of 12 months from Admission.

## **11. INDEBTEDNESS**

At the close of business on 27 November, 2000 the Company had no outstanding bank borrowings. At that date the Company did not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities.

## **12. GENERAL**

- (a) The financial information contained in this Document does not amount to full statutory accounts within the meaning of section 240 of the Act. The Company’s statutory accounts have been delivered to the Registrar of Companies in England and Wales for the financial year ended 31 December 1999.
- (b) Deloitte & Touche, Chartered Accountants and Registered Auditors, have been the auditors of the Company since 9 August 1996.
- (c) The Ordinary Shares, the subject of the Placing and Offer are being offered at a price of Stg2p per share, representing a premium of Stg1p per share over the nominal value of Stg1p, payable in full on application.
- (d) The Ordinary Shares now in issue are in registered form and the Ordinary Shares to be issued pursuant to the Placing and Offer can be held in registered or uncertificated form.

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- (e) Save as disclosed, no payment or other benefits have, within the two years immediately preceding the date hereof, been paid or given or are now proposed to be paid or given to any promoter of the Company.
- (f) Other than the transaction described under “Material Contracts” in paragraph 12 below, there has been no major acquisition nor other principal investment made by the Company and no material change in the financial or trading position of the Company since 31 December 1999.

There are no third party patents or intellectual property rights, licences (other than the Exploration Licence) of particular contracts which are or maybe of fundamental importance to the Company’s business.

- (g) The total amount of the estimated expenses of the Placing and Offer (including professional fees, the costs of printing and other fees payable - assuming full subscription) is £380,000, exclusive of VAT, which are payable by the Company. The minimum amount which, in the opinion of the Directors, must be raised for the purposes set out in Regulation 21 of the Regulations is £318,000, which shall be applied as follows:
- (i) purchase of property: Nil
  - (ii) expenses and commissions payable under the Offer: £218,000 (assuming full subscription)
  - (iii) repayment of monies borrowed in respect of (i) and (ii) above: Nil
  - (iv) for working capital requirements: £100,000.
- (h) Deloitte & Touche, Chartered Accountants and Registered Auditors, have given and not withdrawn their written consent to the inclusion herein of their name, their accountants’ report on the Company and the references thereto in the form and context in which they appear. Deloitte & Touche accept responsibility for the said report.
- (i) AMCO Robertson Mineral Services Limited, have given and not withdrawn their written consent to the inclusion herein of their name, their competent persons report and the references thereto in the form and context in which they appear. AMCO Robertson Mineral Services Limited accept responsibility for the said report.
- (j) Save as disclosed herein there has been no significant change in the financial or trading position of the Company since 31 December 1999, being the date to which the last audited accounts of the Company were made up.
- (k) Except for the fees payable to the professional advisers whose names are set out on page 5 above and payments to trade suppliers no person has received any fees, securities in the Company or other benefit to a value of Stg£10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the application for Admission.

### **13. MATERIAL CONTRACTS**

The following contracts are the only contracts entered into by the Company otherwise than in the ordinary course of business since the date of incorporation which are or may be material:

#### **Nominated Adviser Agreement**

An agreement dated 13 December, 2000 between the Company and J&E Davy (trading as Davy Stockbrokers) pursuant to which the Company has appointed Davy Stockbrokers to act as nominated adviser to the Company for the purposes of AIM terminable, *inter alia*, on three months notice.

#### **Nominated Broker Agreement**

An agreement between the Company and W H Ireland dated 13 December 2000 whereby W H Ireland are appointed as nominated broker in respect of the Placing and Offer as required by the AIM Rules. The appointment is for an initial period of 12 months from the date of the agreement and thereafter unless and until terminated by six months notice. The Company and the Directors cannot take any legal action against W H Ireland otherwise than as a result of their negligence, fraud or breach of their obligations under the Agreement. The Company is indemnify WH Ireland in respect of claims made by members of the Company and third parties where such claim arises from, *inter alia*, this Document not complying with the AIM Rules and Regulations or breach of warranties set out in the Placing Agreement.

#### **Placing Agreement**

Under a placing agreement dated 13 December 2000 between the Company (1), WH Ireland (2), Davy (3) and the Directors and the Proposed Directors (4) WH Ireland has agreed to use its reasonable endeavours to procure places for up to 75,000,000 new ordinary shares. WH Ireland will receive (together with any applicable VAT) a commission of 5% of the aggregated value of the New Ordinary Shares at the Offer Price plus 1% of all other amounts raised. The Company, the Directors and the Proposed Directors have given certain warranties and indemnities to WH Ireland and Davy. The Placing Agreement is terminable by WH Ireland and Davy if there is a material breach of warranty.

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The Placing Agreement is conditional, *inter alia*, upon the passing of the resolutions to be proposed at the Extraordinary General Meeting of the Company, and Admission having become effective on or before 1 February 2001 and a minimum of Stg£1 million being raised.

#### **Exploration Licence**

A licence dated 20 June 1996 between The Crown Estate Commissioners (“Commissioners”) on behalf of The Queen’s Most Excellent Majesty granting an exclusive right to prospect and search for gold and silver on certain lands in Devon, England. The licensee is obliged to use its best endeavours to preserve the natural features of the land and to keep the works in good and substantial repair and not to do or permit to be done anything which is or may become a nuisance. The term of the licence is for one year but has been renewed on an annual basis. A licence fee of £3,000 has been paid annually to the Commissioners. An indemnity has been given in respect of all costs incurred by the Commissioners and in respect of any personal injury or property damage suffered by any person including the Commissioners. The Commissioners at the end of the term of the licence have an option to purchase all machinery and equipment. At the end of the term of the licence the works must be in good and substantial repair condition and working order and free from all spoil, rubbish and derelict equipment. MinMet plc has acted as a surety under the terms of the licence guaranteeing the obligations of the Company.

The licence includes an option to take a Mines Royal lease in respect of gold and silver on the land at a rental to be determined.

Discussions have been ongoing with the Crown Estate Commissioners concerning the assignment of the Exploration Licence and a new licence may be issued in the name of the Company prior to the EGM in order to facilitate the assignment. The amendments to the Exploration Licence are not expected to be significant or material. Accordingly a supplementary prospectus will not be circulated if a new licence is issued unless it is materially different to the existing Exploration Licence which is summarised above.

#### **Fund Manager Agreement**

By letter of engagement with Lion Resource Management (“Lion”) dated 21 November 2000 Lion confirmed the terms on which it would act as fund manager to the Company which include a retainer on a sliding scale dependant on the value of the fund and an additional quarterly fee also on a sliding scale depending on the net asset value of the fund. The arrangements are subject to review after 18 months.

#### **MinMet Services Agreement**

By a letter dated 21 November 2000 MinMet plc agreed to supply financial, company secretarial, administrative and technical assistance to the Company for the year ended 31 December 2001 for a monthly fee of £3,000.

#### **Business Transfer Agreement**

Pursuant to an agreement to be entered into between the Company and MinMet plc, the Company will agree to transfer its existing business including the assignment of the Exploration Licence for a consideration of £230,000 conditional upon the transfer being approved at the Extraordinary General Meeting and Admission.

### **14. SUBSIDIARIES**

The Company does not have any subsidiaries.

### **15. OVERSEAS SHAREHOLDERS**

No person receiving a copy of this document in any territory other than the Republic of Ireland, the United Kingdom, Guernsey, Jersey and the Isle of Man may treat the same as constituting an offer to him unless in the relevant territory such an offer could lawfully be made to him. It is the responsibility of any person receiving a copy of the document outside the Republic of Ireland, the United Kingdom, Guernsey, Jersey and the Isle of Man and wishing to make an application for Ordinary Shares to satisfy himself as to full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory. The Ordinary Shares to be issued pursuant to this document have been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any province or territory of Canada and may not be offered or sold, directly or indirectly, in North America or Australia or to or for the benefit of any North American person. Accordingly, copies of this document are not being sent to shareholders who have registered addresses in North America or Australia. For the purpose of this document (i) “North America” means the United States of America, each State thereof, its territories, possessions and all areas subject to its jurisdiction; and Canada and each Province thereof, and (ii) “North American person” means a citizen or resident of the United States of America or Canada, the estate of any such person, a partnership, corporation or other entity created or

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organised in or under the laws of the United States of America or Canada or any jurisdiction thereof, or any estate or trust the income of which is subject to United States or Canadian federal income tax regardless of its source.

The Company reserves the right (in its absolute discretion) to treat as invalid any acceptance or purported acceptance of the allotment of the New Ordinary Shares pursuant to an Application Form if it appears to the Company or its agent to have been executed, effected or dispatched in a manner which may violate applicable or legal regulatory requirements.

Persons (including without limitation) nominees, agents and trustees, receiving an Application Form should not distribute or send it in or into the United States of America, Canada or Australia or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If an Application Form is received by any person in any such territory (or by the agent or nominee of such a person), he must not seek to take up the New Ordinary Shares by using or financing such an Application Form. The Company reserves the right to reject any applications, from or in favour of, shareholders in any such territory or persons who are acquiring or the Company or its advisors have reason to believe are acquiring New Ordinary Shares for resale in such territories.

## **16. DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company which is Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL, during usual business hours on any weekday, (Saturdays and Public Holidays excepted), for a period of 21 days following the date of this document:

- (a) The Memorandum and Articles of Association of the Company;
- (b) The Rules of the Company's Share Option Scheme;
- (c) The Report of Deloitte & Touche as set out in Part II (A) of this document;
- (d) The Report of AMCO Robertson Mineral Services Limited as set out in Part III of this document;
- (e) The consents referred to in paragraph 12(h) and (i) of this Part VI;
- (e) The Material Contracts referred to above in paragraph 12 of this Part VI;
- (f) The audited accounts of the Company for the year ended 31 December, 1999, 1998 and 1997;
- (g) The interim accounts of the Company for the 9 months ended 30 September, 2000; and
- (h) This document.

13 December, 2000

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# CREDITON MINERALS PLC

(A PUBLIC LIMITED COMPANY INCORPORATED IN ENGLAND AND WALES UNDER THE COMPANIES ACT 1985 REGISTERED NUMBER 2882601)

NOTICE is hereby given that an EXTRAORDINARY GENERAL MEETING of the Company will be held at the Geological Society of London, Burlington House, Piccadilly, London W1J 0BG on 19 January 2001 at 11a.m. for the purpose of considering and, if thought fit, passing the following Resolutions numbered 1 to 12 (which are conditional on the Placing Agreement referred to in the offer and admission document circulated to shareholders dated 13 December, 2000 ("Offer and Admission Document") becoming unconditional) as special resolutions and Resolutions 13 and 14 as Ordinary Resolutions:-

### SPECIAL RESOLUTIONS

1. That the business as currently carried on by the Company including the Exploration Licence in respect of the Crediton Trough (details of which are given in the Offer and Admission Document) be sold and assigned to Tiger Resource Finance Limited, a wholly owned subsidiary of MinMet plc, which is a shareholder in the Company, and that the business transfer agreement (as described in the Offer and Admission Document) be approved;
2. That the name of the Company be and is changed to "Tiger Resource Finance Plc";
3. That the focus of the business of the Company be switched to providing development finance and services to natural resource projects on a world-wide basis;
4. That pursuant to Sections 4 and 28 of the Companies Act 1985 (as amended) (the "Act") the Memorandum of Association of the Company be altered:-
  - (a) by the deletion of Clause 1 thereof and the insertion of a new Clause 1 as follows:-

"1. The Company's name is Tiger Resource Finance Plc (hereinafter called the "Company")."
  - (b) by the redesignating of Clauses 4(B)(1) to 4(B)(12) inclusive as Clauses 4(B)(5) to 4(B)(16) inclusive and by adopting new Clauses as follows:-

"4(B)(1) To purchase or otherwise acquire or invest in, finance, hold and dispose of or realise, either in the name of the Company or in that of any nominee, any interest in any real estate (whether leasehold, freehold or otherwise) or real estate related interest and any shares, stocks, warrants, partnership interests, mortgages, debentures, debenture stock, bonds, obligations, loans, loan stock, notes, loan notes, promissory notes, structured notes, structured bonds, structured debentures, commercial paper, certificates of deposit, bills of exchange, trade bills, treasury bills, futures contracts, swap contracts, contracts for differences, commodities of every description (including precious metals and oil), variable or floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, options contracts, forward rate agreements, policies of assurance and insurance, currencies, money market instruments and financial instruments and securities of whatsoever nature created, issued or guaranteed by any company wherever incorporated or carrying on business or by any partnership, trust, of whatsoever nature wherever formed or registered or carrying on business.
  - 4(B)(2) To receive money on loan and to borrow or raise money in any currency in any manner and to secure or discharge any debt or obligation of or binding on the Company in any manner and in particular, but without limitation, by the issue of debentures and to secure with or without consideration the repayment of any money borrowed, raised or owing by mortgage, charge, debenture, debenture stock, bond, indemnity, lien or security of whatsoever nature against the whole or any part of the Company's undertaking, property or



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assets (whether present or future) and also by a similar mortgage, charge, debenture, debenture stock, bond, indemnity, lien or security of whatsoever nature to secure or guarantee the performance of any obligation or liability undertaken by the Company or by any other company or person.

4(B)(3) To employ any person for the purposes of the business carried on by the Company or to employ or enter into any contract for services with any person, firm, company or other body to investigate and examine the conditions, prospects, values, character and circumstances of any business concern or undertaking and generally of any assets, concessions, properties or rights and to provide administration, custodian, investment management and advisory and distribution services to the Company.

4(B)(4) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.”

(c) by the deletion of Clause 6 thereof and the insertion of new Clause 6 as follows:-

“6. The Company’s share capital is Stg£10,000,000 divided into 1,000,000,000 shares of Stg1p each.”

5. That pursuant to Section 9 of the Act the Articles of Association a copy of which are attached hereto be adopted as the new Articles of Association of the Company in substitution for and to the exclusion of all existing articles of association;

6. That the authorised share capital be increased to Stg£10,000,000 divided into 1,000,000,000 ordinary shares of Stg1p each by the creation of 900,000,000 ordinary shares of Stg1p each ranking *pari passu* in all respects with existing authorised and ordinary shares of Stg1p each;

7. That the Board be and is hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Act) up to an aggregate nominal amount of Stg£7,500,000 provided that this authority shall expire on the date of the next annual general meeting after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby has not expired;

8. That the Directors be and are hereby empowered, pursuant to Section 95 of the Act, for the period commencing on the date of passing of this resolution and expiring on the date of the next Annual General Meeting after the passing of this resolution, and at any time thereafter pursuant to any offer, agreement or other arrangement made by the Company before the expiry of this power, to the exclusion of and in substitution for any other such power previously granted to them, to allot out of any relevant securities (as defined in Section 80(2) of the Act) equity securities (as defined in Section 94(2) of the Act) which they are from time to time authorised to allot as if section 84(1) of the Act did not apply to such allotment, but limited to: -

(a) the proposed allotment of up to 750,000,000 Ordinary Shares of Stg1p each in connection with the Placing and Offer, as defined in the Offer and Admission Document;

(b) in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities (as so defined) in such proportion as nearly as may be to their respective holdings of such securities or in accordance with the rights attaching thereto (but with such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, record dates or other legal or practical problems under the laws of, or other requirements of, any recognised regulatory body or any stock exchange in any territory or as regards shares held by an approved depository or in issue in uncertified form); and

(c) up to a maximum nominal amount of Stg£50,000

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9. That the directors be authorised to capitalise the sum of Stg£330,753, (being all of the amount standing to the credit of the Company's Share Premium Account) and that such sum be applied in paying up in full at par 33,075,300 Ordinary Shares of Stg1p each to be allotted as fully paid up to and amongst the holders of the existing Ordinary Shares (other than those Ordinary Shares in respect of which waivers have been received by the Company prior to the date hereof) in proportion of four 4 Ordinary Shares for each such Ordinary Share held at the close of business on 1 December, 2000 so that such Ordinary Shares shall rank pari passu in all respects with the existing Ordinary Shares in the Company;
  10. That application be made for a admission to trading of the Ordinary Shares of the Company on the Alternative Investment Market of the London Stock Exchange plc ("AIM");
  11. That the rules of the Company's share option scheme dated 30 August 1996 be amended by the deletion in clause 6 thereof of the word "Ofex" and the insertion of "the Alternative Investment Market of the London Stock Exchange";
  12. That all existing options which have been granted under the Company's share option scheme dated 30 August 1996 as at the date of this Notice shall be cancelled;

## **ORDINARY RESOLUTIONS**

13. That Hugh McCutcheon be appointed as a director of the Company conditional upon admission to AIM;
14. That Seamus Maher be appointed as a director of the Company conditional upon admission to AIM.

Dated the 13th day of December, 2000

By Order of the Board

*Alec Banyard*  
**Secretary**

Registered Office:- Poutney Hill House, 6 Laurence Poutney Hill, London EC4R 0BL, England.

**NOTE (i):** A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not also be a Member.

**NOTE (ii):** Completion of a Form of Proxy will not preclude members from attending or voting in person at the meeting if they so wish.

**NOTE (iii):** To be valid at the meeting a Form of Proxy together with a power of attorney or other authority (if any) under which it is executed, or a notarially certified copy thereof must be deposited at Computerstore Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposed to vote. A Form of Proxy is enclosed.

## PROCEDURE FOR APPLICATION

The following instructions should be read in conjunction with the Application Form.

**1 Insert in Box 1 (in figures) the number of Ordinary Shares for which you are applying.**  
Application must be for a minimum of 25,000 Ordinary Shares (Stg£500) and thereafter in multiples of 5,000 Ordinary Shares. Applications for any other numbers or multiples of shares may be rejected in whole or in part.

**2 Insert in Box 2 (in figures) the exact amount of your payment.**  
The amount of your cheque or banker's draft should be Stg2p multiplied by the number of Ordinary Shares inserted in Box 1.

**3 Sign and date the application Form in Box 3.**  
The Application Form may be signed by someone else on your behalf (and/or on behalf of any joint applicant(s)) if duly authorised by power of attorney to do so, but the power of attorney pursuant to which this is done (or a copy certified by a solicitor) must be enclosed. A corporation should sign under the hand of a duly authorised officer whose representative capacity must be stated.

If you are applying for the benefit of a person under the age of 18, you, rather than that person, must sign the Application Form.

**4 Insert your full name and address in BLOCK CAPITALS in Box 4.**  
Applications may only be made by persons aged 18 or over. However, a parent, grandparent or guardian of a person under 18 may apply for the benefit of that minor. To apply for the benefit of a minor, you should put your own name in full in Box 4 and complete the minor's details box, within Box 4, with the full name of the minor and the minor's date of birth. You are not thereby precluded from making an application for your own benefit. See notes 6 and 7 for joint applications.

**5 You must pin to the completed Application Form a single cheque or banker's draft for the full amount payable.**  
Your cheque or banker's draft must be payable to "Computershare Services (Ireland) Limited re: a/c Tiger Resource Finance" for the exact amount payable on application inserted in Box 2 and should be crossed "A/C Payee".

No receipt will be issued for this payment which must be solely for this application.

Cheques or banker's drafts must be drawn in sterling on a bank in the UK or the Isle of Man or a branch of such bank, which is either a member of the Cheque, Credit Clearing Company Limited or the CHAPS & Town Clearing Company Limited or a member of the Committee of Scottish Clearing Houses or which has arranged for cheques and banker's drafts to be cleared through the facilities provided for the members of either of those companies or that committee or by means of a sterling cheque or bankers draft drawn on a licenced bank in the Republic of Ireland which is a member of the Dublin Bankers Clearing Committee, and must bear the appropriate sorting code in the top right hand corner.

Applications may be accompanied by a cheque or banker's draft drawn by someone other than the applicant(s), but any monies to be returned will be sent by crossed cheque in favour of the person named in Box 4 and to the address in Box 4.

**6 You may apply jointly with up to three other persons.**  
If you do so, you must then arrange for the Application Form to be completed by or on behalf of each joint application (up to a maximum of three other persons, in addition to the first applicant). Their full addresses should be put in BLOCK CAPITALS in Box 6. Letters of acceptance in the names of joint applicants will be sent to the applicant named in Box 4.

**7 Box 7 must be signed by or on behalf of each joint applicant** (other than the first applicant who should sign in Box 3 and completed Box 4).  
If any individual is signing on behalf of any joint applicant(s), the power(s) of attorney (or a copy (copies) certified by a solicitor) must be enclosed with the Application Form.

**8 If you are unable to warrant the terms of any points (i), (ii) or (iii) set out below Box 7, you must delete the relevant warranty and give such further information as is requested.**

You must send the completed Application Form together with the cheque or banker's draft by post or by hand to Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland so as to arrive not later than 3.00 pm on 12 January, 2001.

If you post your Application Form, you are recommended to use first class post and to allow at least five working days for delivery.

# Offer Application Form

Before making any application to acquire shares you are recommended to consult an independent financial adviser authorised under the Financial Services Act 1986 of the United Kingdom or the Investment Intermediaries Act 1995 of Ireland or the Stock Exchange Act 1995 of Ireland.

Offer by WH Ireland, as agent for Crediton Minerals plc (to be renamed Tiger Resource Finance plc) of up to 675,000,000 ordinary shares of Stg1p each in Crediton Minerals plc ("Ordinary Shares") at a price of Stg2p per Ordinary Share payable in full on application.

1 I/We apply for the allotment to me/us of

Ordinary Shares
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at the Offer Price of Stg2p per Ordinary Share (or any smaller number of Ordinary Shares for which this application is accepted) payable in full on application on the terms and conditions set out in this Application Form and the prospectus dated 13 December 2000 and subject to the Memorandum and Articles of Association of Crediton Minerals plc.

2 I/We attach a cheque or banker's draft for the amount payable to "Computershare Services (Ireland) Limited re: a/c Tiger Resource Finance" and crossed "A/C Payee only"

Stg£	(Minimum Stg£500)
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(STG2p multiplied by the number of Ordinary Shares Inserted in Box 1).

3 Dated	2000/2001	Signature
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4 Please use BLOCK CAPITALS

Forename(s) (in full)		
Mr, Mrs, Ms, Miss or title		
Surname		
Minor's forename(s) (in full)		
Surname	Date of birth	
Address (in full)		
Postcode		Tel no.

5	<input type="checkbox"/> Affix here your cheque or banker's draft made payable to "Computershare Services (Ireland) Limited re: a/c Tiger Resource Finance" and crossed "A/C Payee" for the amount in Box 2
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Complete Boxes 6 and 7 only when there is more than one applicant. The first or sole applicant should sign and insert the date in Box 3 and complete Box 4. Insert in Box 6 the names and addresses of the second and subsequent applicants, each of whose signature is required in Box 7.

6 Please use BLOCK CAPITALS

Forename(s) (in full)	Forename(s) (in full)	Forename(s) (in full)
Mr, Mrs, Ms, Miss or title	Mr, Mrs, Ms, Miss or title	Mr, Mrs, Ms, Miss or title
Surname	Surname	Surname
Address (in full)	Address (in full)	Address (in full)
Postcode	Postcode	Postcode

7 Signature ..... Signature ..... Signature .....

Application must be received by 3.00 pm on 12 January, 2001. The completed Application Form together with a cheque or banker's draft for the amount payable should be posted or delivered by hand to Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.

Except to the extent that you declare any of the following, you warrant that:

- (i) you are not applying as, or as (a) nominee(s) or agent(s) for, (a) person(s) who is/are or may be persons mentioned in sections 67, 70, 93 or 96 of the Finance Act 1986 (Depository Receipts in Clearance Service):
- (ii) you are not applying for registration as, or as (a) nominee(s) or trustee(s) for, a body of persons established for charitable purposes only. If this warranty is deleted please state the name of charity and registered number (where applicable).
- (iii) the warrants set out in paragraph 7 of Part V of the Placing and Offer Document dated 13 December, 2000 are true, complete and accurate.

Any person(s) signing this Application Form under a power(s) of attorney must enclose the original power(s) of attorney (or a copy (copies) certified by a solicitor).