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This Listing Document includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange, LBG ("CISX") for the purpose of giving information with regard to the Company. It does not constitute a prospectus for the purpose of section 84(2) of the UK's Financial Services and Markets Act 2000 or otherwise.

The Directors of the Company, whose names appear on page 5 of this document, accept full responsibility for the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this document misleading.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document or any subscriptions made hereunder shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as of any time subsequent to the date of this document.

Application has been made for a further 16,630,000 Ordinary Shares of 0.1p each in the capital of the Company ("Placing Shares") and for up to 28,500,000 Subscription Shares of no par value in the capital of the Company to be admitted to listing on the Official List of the CISX and to trading on the SETSqx platform of the London Stock Exchange. It is expected that Admission will become effective and that dealings in the Placing Shares will commence on 26 October 2011 and Admission will become effective and dealings in the Subscription Shares will commence on 31 October 2011. The existing issued Ordinary Shares of 0.1p each in the capital of the Company are currently admitted to listing on the Official List of the CISX and to trading on the SETSqx platform of the London Stock Exchange. No admission to listing is being sought on any other exchange in respect of any of the Ordinary Shares or the Subscription Shares.

Neither the admission of the Placing Shares or the Subscription Shares to the Official List of the CISX nor the approval of this Listing Document pursuant to the listing requirements of the CISX shall constitute a warranty or representation by the CISX as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in this Listing Document or the suitability of the Company for investment or for any other purpose.

This Listing Document has been prepared in accordance with the Authorised Closed-Ended Investment Schemes Rules 2008 issued by the Guernsey Financial Services Commission (the "**Commission**") pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended. The Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

GOLDEN PROSPECT PRECIOUS METALS LIMITED

(a closed-ended investment company incorporated with limited liability under the laws of Guernsey with registered number 45676)

Placing of 16,630,000 new Ordinary Shares
at 112 pence per Ordinary Share

Bonus Issue of up to 28,500,000 Subscription Shares
to holders of Ordinary Shares
on a one-for-two basis

and

Admission of the Placing Shares
and the Subscription Shares
to listing on the Official List of the CISX
and to trading on the SETSqx platform of
the London Stock Exchange

Investment Manager

New City Investment Managers

CISX Sponsor

Legis Fund Services Limited

Financial Advisor and Broker

Singer Capital Markets Limited

Legis Fund Services Limited, which is a member of the CISX, is the sponsor to the listing of the Company's shares on the CISX and is acting exclusively for the Company in relation to the Admission of the Placing Shares and the Subscription Shares and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Legis Fund Services Limited, nor for providing advice in relation to the contents of this document or any transaction or arrangements referred to herein.

Singer Capital Markets Limited ("**Singer Capital Markets**"), which is regulated in the UK by the Financial Services Authority, is acting as financial adviser and broker to the Company in connection with the matters described herein. Singer Capital Markets is acting for the Company in relation to the Placing and Admission of the Placing Shares and the Subscription Shares and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing and Admission of the Placing Shares and the Subscription Shares, the contents of this document or any transaction or arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Singer Capital Markets by the FSMA or the regulatory regime established thereunder, Singer Capital Markets does not accept any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares, the Placing or Admission of the Placing Shares or the Subscription Shares. Singer Capital Markets accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

Prospective investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Manager, the CISX Sponsor or Singer Capital Markets. Without prejudice to the Company's obligations under the CISX Listing Rules, neither the delivery of this document nor any subscription or purchase of shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since, or that the information contained herein is correct at any time subsequent to, the date of this document.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, investment, or any other related matters concerning the Company and an investment therein.

Restrictions on sales

This document does not constitute, and may not be used for the purposes of, an offer or any invitation to subscribe for any Shares by any person in any jurisdiction: (a) in which such offer of invitation is not authorised; or (b) in which the person making such offer or invitation is not qualified to do so; or (c) to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the Placing in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about and to observe any restrictions as to the Placing and the distribution of this document under the laws and regulations of any territory in connection with any application for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of the Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where actions for that purpose are required.

Notice to prospective investors in the United Kingdom

This document is only being distributed to and is only directed at persons who are outside the UK or where they are in the UK at (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (b) high net worth companies, unincorporated associations and other bodies falling within Article 49(2)(a) to (d) of the Order and (c) other persons to whom it may lawfully be communicated (all such persons together being referred to as "**relevant persons**"). The Shares are only available to, any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice in connection with the United States, Australia, Canada and Japan

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Shares in any jurisdiction in which such offer or solicitation is unlawful and is not for distribution in or into the United States, Australia, Canada or Japan.

The Shares have not been and will not be registered under the US Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of US Persons except in certain transactions exempt from the registration requirements of the US Securities Act. No public offer of the Shares is being made in the United States. The Shares are only being offered and sold outside the United States to non-US Persons in offshore transactions in reliance on Regulation S under the US Securities Act.

In addition, the Company will not be registering under the US Investment Company Act and investors will not be entitled to the benefits of such act.

No US federal or state securities commission or regulatory authority has approved or disapproved of the Shares or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The Shares offered by this document have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and, subject to certain exceptions, may not be offered or sold directly, or indirectly, in or into Australia, Canada or Japan, or to or for the account or benefit of any person resident in Australia, Canada or Japan.

Notice in connection with Member States of the European Economic Area

In any European Economic Area ("**EEA**") Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "**Prospectus Directive**"), this communication is only addressed to and is only directed at: (a) qualified investors in that Member State within the meaning of the Prospectus Directive; and (b) other persons who are permitted to purchase the Shares pursuant to an exemption from the Prospectus Directive and other applicable regulations. This document has been prepared on the basis that all offers of Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of Shares.

Accordingly, any person making or intending to make any offer within the EEA of the Shares which are the subject of the Placing contemplated in this document should only do so in circumstances in which no obligation arises for the Company to produce a prospectus for such offer. The Company has not authorised, nor does it authorise, the making of any offer of Shares through any financial intermediary.

References to Defined Terms

Certain capitalised terms used in this document are defined in the section headed 'Definitions' on page 66 at the end of this document.

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FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, ‘forward-looking statements’. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’ or ‘should’ or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors and the Investment Manager concerning, amongst other things, the investment strategy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company and the markets in which it will operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend policy of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in general market conditions and in the UK real estate market specifically, legislative or regulatory changes, changes in taxation regimes, the Company’s ability to invest its cash and the proceeds of the Placing in suitable investments on a timely basis, the availability and cost of capital for future investments, the availability of suitable non-recourse financing, the continued provision of services by the Investment Manager and the Investment Manager’s ability to retain key personnel.

Potential investors are advised to read this document in its entirety, and, in particular, Part VI entitled ‘Risk Factors’ for a further discussion of the factors that could affect the Company’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the CISX Listing Rules), the Company, the Directors, the Investment Manager, the CISX Sponsor and Singer Capital Markets expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

DIRECTORS, SECRETARY AND ADVISORS

Directors

Malcolm Alec Burne (*Non-executive Director*)
Kaare Glenne Foy (*Non-executive Director*)
Robert Paul King (*Non-executive Director*)

all of
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Secretary, Administrator and CISX Sponsor

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New City Investment Managers
(a trading name of CQS Asset Management Limited)
5th Floor
33 Chester Street
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SW1X 7BL

Note: The Company has appointed CQS as its investment manager. However, CQS has, with the agreement of the Board, delegated that function to NCIM.

Financial Adviser and Broker to the Company

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2011</i>
Publication of this document	24 October
Admission and dealings in the Placing Shares commence on CISX and SETSqx	26 October
CREST accounts expected to be credited with Placing Shares (if applicable)	26 October
Record date for the Subscription Shares	5.00 p.m. on 28 October
Ex-entitlement date for the Subscription Shares	31 October
Admission and dealings in the Subscription Shares commence on CISX and SETSqx	31 October
CREST accounts expected to be credited with Subscription Shares (if applicable)	31 October
Despatch of definitive share certificates (if applicable) in respect of the Placing Shares	by 9 November
Despatch of definitive share certificates (if applicable) in respect of the Subscription Shares	by 14 November

PLACING STATISTICS

Placing Price (per Placing Share)	112p
Number of Ordinary Shares in issue immediately following the Placing	57,000,000*
Maximum market capitalisation of the Company at the Placing Price following the Placing	£63.8 million
Estimated Net Proceeds of the Placing receivable by the Company	£18.2 million*
Number of Subscription Shares in issue immediately following the Placing	28,500,000*
ISIN for Ordinary Shares	GG00B1G9T992
ISIN for Subscription Shares	GG00B63JZY45
SEDOL for Ordinary Shares	B1G9T99
SEDOL for Subscription Shares	B63JZY45
Ticker for Ordinary Shares	GPM.L
Ticker for Subscription Shares	GPMS.L
Maximum number of Ordinary Shares consequent upon the Placing and upon full conversion of the maximum number of Subscription Shares	85,500,000

(* assuming the Placing is fully subscribed)

KEY INFORMATION

The following is a summary of the principal features of the Company and should be read in conjunction with the full text of this Listing Document. Any decision to acquire shares in the Company should be based on consideration of this document as a whole.

THE PARTICULAR ATTENTION OF POTENTIAL INVESTORS IS DRAWN TO THE RISK FACTORS SET OUT IN PART VI OF THIS DOCUMENT.

The Shares are only suitable for investors who (i) understand, or who have been advised of, the potential risk of capital loss from an investment in the Shares and that there may be limited liquidity in both the Shares and the underlying investments of the Company, (ii) for whom an investment in the Shares is part of a diversified investment portfolio and (iii) who fully understand and are willing to assume the risks involved with an individual investment in such a portfolio.

The Company

Golden Prospect Precious Metals Limited is a closed-ended investment company incorporated with limited liability in Guernsey on 16 October 2006.

Investment Objective and Approach

The Company's investment objective is to generate above average returns for Shareholders primarily through the capital appreciation of its investments. The Directors believe that such returns can be obtained by investing in a selective portfolio of securities and other instruments in the precious metals and other resource sectors.

The Company targets equity investments in precious metals, including gold, silver, platinum and palladium (the "**Target Commodities**"). The Company focuses its investments in companies which typically have or are anticipated to have a market capitalisation of over £30 million and with defined projects in the development or production phase. The Directors intend that companies already in production will continue to form at least half of the Portfolio. The Company may diversify up to 20 per cent. of its gross assets into investments in other metals, minerals and commodities, such as uranium, from time to time as market opportunities arise (however, the Directors are considering seeking Shareholder approval to increase the diversification limit to 30 per cent.). Investments will be chosen through a careful selection process which will appraise both fundamental factors specific to the opportunity and wider economic considerations, as set out in paragraph 4 of Part I of this document and in particular, the Company will be mindful of investing in companies with operations located in politically stable jurisdictions.

Investment Opportunity

The precious metals sector has experienced a trend of rising market prices, or so-called 'bull' market, since 2001 which has been driven largely by classic supply and demand economics. The Directors believe that the commodities market is only partially into its upward cycle. The rapid economic expansion and industrialisation of the BRIC and other economies, together with a number of other factors, has led to a marked increase in demand for commodities generally. On the supply side, however, there have been few recent major discoveries of new precious metal resources and many of those that have been found may take many years to bring into production. This has caused a number of the major mining companies to seek potential acquisition targets actively. The Directors believe that the current upward price trend in the precious metals sector could continue for a number of years and hence they consider it to be an opportune time for a precious metals fund focused on the Target Commodities.

Current Portfolio

The Company's current Portfolio primarily comprises securities listed on the Australian, Toronto and London stock exchanges.

The Company's current Portfolio consists of equities and a small number of warrants in approximately 50 different companies whose shares are listed on the Australian, Toronto and London stock exchanges and which had an aggregate fair value as at 30 June 2011 of £44,516,727.

The table below sets out the Company's top five holdings as at 31 August 2011:

	<i>% of total net assets</i>
Silver Wheaton Corp.	10.8%
Fresnillo plc	6.4%
Ausgold Limited	6.1%
First Majestic Silver Corp.	5.2%
Perseus Mining Limited	4.8%
Total	33.3%

The Board

The Company has an experienced Board, which comprises Malcolm Burne, Kaare Foy and Robert King.

The Investment Manager

The Company's Portfolio is managed by New City Investment Managers. John Wong manages the Portfolio and has been the Company's lead fund manager since September 2008.

The Company pays the Investment Manager an annual management fee of 1.5 per cent., of the Net Asset Value. In addition, the Company will pay an annual performance fee of 20 per cent., subject to 8 per cent. annual performance hurdle and other performance criteria which are set out in paragraph 5.1 of Part VIII of this document.

The Placing

The Company intends to issue 16,630,000 Ordinary Shares of 0.1p each par value at 112 pence per share (conditional on their Admission), which will raise approximately £18.6 million (before expenses). The Net Proceeds from the Placing will be invested by the Company in accordance with the Company's investment objective and approach. It is expected that Admission of the Placing Shares will become effective, and that dealings in the Placing Shares will commence on the CISX, at 8.00 a.m. (London time) on 26 October 2011.

Bonus Issue of the Subscription Shares

The Company also intends to issue up to 28,500,000 Subscription Shares of no par value to Ordinary Shareholders on the Register at 5.00 p.m. on 28 October 2011 (being the Record Date). Each existing Ordinary Shareholder will receive one Subscription Share in respect of every two Ordinary Shares held. The Record Date is subsequent to completion of the Placing and as such, investors who have acquired Ordinary Shares pursuant to the Placing will receive Subscription Shares on the same basis as other holders of Ordinary Shares.

The Company intends to proceed with the issue of Subscription Shares if, for any reason, the Placing does not go ahead.

The Company will seek Admission of the Subscription Shares and it is expected that Admission of the Subscription Shares will become effective, and that dealings in the Subscription Shares will commence on the CISX, at 8.00 a.m. (London time) on 31 October 2011. Full details of the Subscription Shares are set out in Part V of this document.

PART I

INFORMATION ON THE COMPANY

1. The Company

Golden Prospect Precious Metals Limited is a closed-ended investment company incorporated with limited liability in Guernsey on 16 October 2006, which was established to provide a listed entity for investors to gain exposure to the Company's investment strategy within the gold and precious metals sector. The Company is regulated as an authorised closed-ended investment scheme by the Guernsey Financial Services Commission, and its Ordinary Shares are currently listed on the CISX and are admitted to trading on the SETSqx platform of the London Stock Exchange.

2. Investment Objective

The Company's investment objective is to generate above average returns for Shareholders primarily through the capital appreciation of its investments. The Directors and the Investment Manager believe that such returns can be obtained by investing in a selective portfolio of securities and other instruments in the precious metals and other resource sectors.

3. Investment Opportunity

The precious metals sector has experienced a trend of rising market prices, or so-called 'bull' market, since 2001. The prices of gold, silver and platinum have more than trebled. The drivers behind these increases are due to supply and demand economics for the physical metals as well as an increase in investment demand.

The rapid economic expansion and industrialisation of the BRIC and other economies, together with a number of other factors, has led to a marked increase in demand for commodities generally. On the supply side however, there have been few recent discoveries of new precious metal resources and many of those that have been found may take many years to bring into production.

Precious metals have benefited from higher levels of investment demand in recent years. In the opinion of the Directors, the rise in the use of ETFs which hold physical metals as their underlying assets is evidence of this. For example, the first gold ETF was launched in March 2003. By July 2011, gold ETFs held approximately 2,238 tonnes of gold equivalent to over \$100 billion at prevailing prices. Much of this demand is believed to have arisen from outside the traditional gold investor base, as ETFs are open to investment by pension funds, insurance companies and other financial or institutional investors. ETFs are now also available for many different commodities including silver, platinum and palladium.

The Directors believe the commodities market is only partially into its upward cycle and that the current upward price trend in the precious metals sector could continue for a number of years. This positive view is supported by analysis of past market trends: as one professional observer has noted, the shortest commodities 'bull' market lasted 15 years and the longest 23 years; yet the current precious metals 'bull' market began around ten years ago in 2001. The investment case for each Target Commodity is outlined below.

Gold

The Directors believe that gold as an investment, which has traditionally been used to hedge against inflation and as a safe haven in troubled times, has become increasingly attractive since 2001. This is due to the threat of inflation resulting from, amongst other things, escalating energy prices, current world geo-political tensions arising from recent global terrorist activities as well as the repercussions of the recent credit crises.

Physical demand for gold comes mainly from the demand for jewellery (which accounted for approximately 49 per cent. of total demand in 2010), dentistry and industrial applications in electronics, aerospace and technology. During 2010, the global demand for gold jewellery was up by 17 per cent. compared to 2009 reaching 2,060 tonnes or \$81.1 billion expressed in value terms. Full-year technology demand in 2010 recorded a 12 per cent. increase on the previous year to 424 tonnes.

In 2010, the total global supply of gold – including mine production, recycled gold and official sector transactions – totalled 4,135 tonnes during 2010, a small increase relative to 2009. However, the performance from the different sources of supply was not uniform. Mine production was up by 9 per cent. on 2009 (to 2,528 tonnes in 2010), although it should be noted that total mine production has generally been on a downward trend since 2001, despite the rise in the gold price. Whilst this may seem counter-intuitive at first, rising production costs, a dearth of new discoveries and legislation in certain countries has prevented miners from producing much larger outputs.

In 2010, total demand from jewellery, industrial and dental and identifiable investment (including ETFs and similar products) was 4,111 tonnes, resulting in a net surplus of only 24 tonnes and showing that the market is finely balanced. (*Source: World Gold Council*)

Silver

Silver is both an investment and a supply and demand based story but is traditionally prone to higher levels of price volatility than gold and physical liquidity issues. Since 2006, the price of silver has more than tripled to approximately \$40 per ounce as at 31 August 2011. The Directors believe that a key reason for the rise in the price of silver during the recent years is the increase in investment demand. For example, the introduction of the first silver ETF in April 2006 attracted considerable investment and on its first day of trading amassed holdings of 20 million ounces of silver. Holdings in silver ETFs had increased to over 14,058 tonnes by 2011. The cost of any silver used in the majority of fabricated articles generally represents a small portion of the total price of the article and as a result this demand is typically not sensitive to rising silver prices. This has meant that the rise of investment demand, which is still comparatively modest, has had a significant impact on the price of silver as total fabrication demand has not declined materially in response to higher market prices. The Directors believe that the increase in investment demand and the silver ETFs have clearly made silver a more attractive investment class.

Silver is used in a variety of applications that utilise its conduction, reflection and anti-bacterial properties. The use of silver in industrial applications was 487 million ounces in 2010 representing 46 per cent. of total demand. Total fabrication demand fluctuated between 844 million ounces and 879 million ounces between 2002 and 2010. During the same period, there was an increase in mine production from 594 million ounces to 736 million ounces. The balance in demand was primarily met through government sales and scrap reprocessing. (*Source: The Silver Institute*)

Platinum and Palladium

Platinum, at around US\$1,500 per ounce as at 30 September 2011, is one of the most expensive metals in the world. Since 1999, demand has generally exceeded supply, although in 2010, the platinum market was close to balance with a surplus of 20,000 oz. Gross demand for platinum increased by 16 per cent. to 7.88 million oz; however, supplies remained almost flat at 6.06 million oz. Recycling of platinum also increased by almost a third to 1.84 million oz.

The main demand for platinum is for its use in autocatalysts. Following poor demand in 2009, the global automotive sector recovered and demand for platinum in autocatalysts rose by 43 per cent. to 3.13 million oz. The other main uses for platinum are in industrial applications (such as the production of electrical, glass and chemical products) and jewellery. Gross industrial demand rose by 48 per cent. to 1.69 million oz due to economic recovery in developed markets and strong growth in emerging ones. Demand for platinum jewellery however dropped by 14 per cent. in 2010 following strong demand in 2009.

The Directors believe that demand for platinum will generally continue to exceed supply in the medium term for two reasons. Firstly, the number of diesel vehicle autocatalysts is expected to increase significantly and while palladium can be substituted for platinum in petrol engines, substitution in diesel engines is limited to around 10 per cent. of the platinum for around double the amount of palladium. According to a sector analysis, world-wide sales of diesel vehicles are predicted to almost double from 15 million units in 2005 to 29 million in 2015. Secondly, platinum supply is capacity-constrained. In 2010, South Africa platinum supplies (representing approximately 77 per cent. of total mine production) remained flat at 4.64 million oz. Production shipments from Russia increased by 5 per cent. to 825,000 oz in 2010, although supply has

generally declined over recent years and shows little sign of being able to return to its former levels. Other production supply is small in scale and limited to Zimbabwe, where economic and political issues are limiting growth, and North America. Platinum recovery, primarily from spent autocatalysts, increased by almost a third in 2010 to 1.84 million oz and now represents approximately 23 per cent. of the total platinum supply market.

Palladium supplies increased by 3 per cent. to 7.29 million oz in 2010, however gross demand rose by 23 per cent. to 9.63 million oz after a strong performance by the automotive sector and a large increase in investment demand, leaving the market in a fundamental deficit of 490,000 oz. In 2010, open loop recycling of palladium in the automotive, electrical and jewellery sectors reached 1.85 million oz, an increase of almost one third compared with 2009.

Other commodities

The Company is also able to diversify up to 20 per cent. of its gross assets into other metals, minerals and commodities from time to time as market opportunities arise. To date, the Company's exposure to other commodities has principally been focussed on the uranium sector which currently accounts for less than 1 per cent. of the Company's total sector allocation.

4. Investment Approach

The Company's current investment portfolio primarily comprises securities listed on the Australian, Toronto and London stock exchanges.

The Directors intend that in excess of 70 per cent., of the Company's gross assets will continue to be directly invested in quoted equities spread throughout the Target Commodities at the time of investment. The Company may also from time to time invest in other investment and hedging instruments as the Directors and Investment Manager consider appropriate in the light of regulatory and tax advice. The Company has in place a prime brokerage facility with Credit Suisse Securities (Europe) Limited, under which the Company may (in the sole discretion of Credit Suisse Securities (Europe) Limited) deploy financial gearing, but which, if utilised, the Company would in any event limit to a maximum 20 per cent. of Net Asset Value at the time of drawdown from time to time and as at 14 October 2011 had outstanding indebtedness of £1,042,830.34 under such facility. Such facility will primarily be used to facilitate the short term cash management of the Company: for example, to settle investment transactions or to take advantage of particularly attractive investment opportunities while funds are realised from the portfolio.

The Company may diversify up to 20 per cent. of its gross assets into investments in other metals, minerals and commodities, such as uranium, from time to time as market opportunities arise (however, the Directors are considering seeking Shareholder approval to increase the diversification limit to 30 per cent.).

In the event such non-Target Commodity investments increase in value to a point where they represent over 30 per cent., of the Company's gross assets, the Investment Manager with approval from the Directors reserves the right to maintain the positions if, in its opinion, it is in the best interests of the Company.

The Company intends to concentrate its investments in companies which typically have or are anticipated to have a market capitalisation of over £30 million and with defined projects in development or production phases. The Directors believe this strategy will provide sufficient liquidity when changing market conditions dictate that immediate adjustments are required to the investment Portfolio.

The Investment Manager will invest in companies which, in its opinion, are undervalued or offer above average growth prospects and where the rewards outweigh the risks identified. The Investment Manager will actively monitor and reassess each investment while it is held. Investments which are considered to have met their potential for growth may be sold. Investments which are considered to have potential for further growth are likely to be retained. Investments may be considered for sale where the Investment Manager identifies alternative investments which it considers have greater potential for growth or where the Investment Manager considers that the risks relating to an investment outweigh its expected potential for growth. The Investment Manager will also take advantage of day-to-day market variations to make small additions or reductions to its investment levels.

Investments are chosen through a careful selection process which appraise both fundamental factors specific to the opportunity and wider economic considerations, including:

- strength of management;
- quality of assets/projects;
- growth potential;
- commodity price outlook;
- geopolitical/country risks;
- financial strength and future working capital requirements;
- liquidity;
- potential exit routes.

In particular, the Company will be mindful of investing in companies with operations located in politically unstable jurisdictions.

Outside the core quoted equities portfolio, the Company may, subject to appropriate tax and regulatory advice, invest in a range of asset classes including without limitation, quoted and unlisted equities (including joint venture companies), units in unit trusts, common stock, convertible securities, warrants, debt instruments and ETFs.

The Directors will review the Company's investment policies on an annual basis. Changes to the investment policies may be prompted, amongst other things, by changes in government policies or economic conditions which alter or introduce additional investment opportunities. In the event of a breach of any investment restriction, the Investment Manager will inform the Company upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service provider.

In addition the Investment Manager may seek to manage portfolio risk, including hedging against currency risk as it is expected that most of the investments will be made in overseas equities.

5. Current Portfolio

A statement of the Company's Portfolio as at 30 June 2011 is included in the interim report and financial statements of the Company for the 6 month period ended 30 June 2011, a copy of which can be downloaded at http://www.ncim.co.uk/gppm_top.php. The Company's current Portfolio consists of equities and a small number of warrants in approximately 50 different companies whose shares are listed on the Australian, Toronto and London stock exchanges and which had an aggregate fair value as at 30 June 2011 of £44,516,727.

The table below sets out the Company's top five holdings as at 31 August 2011:

	<i>% of total net assets</i>
Silver Wheaton Corp.	10.8%
Fresnillo plc	6.4%
Ausgold Limited	6.1%
First Majestic Silver Corp.	5.2%
Perseus Mining Limited	4.8%
Total	33.3%

6. Borrowing Powers

Under its memorandum of incorporation, the Company has the power to borrow money in any manner and there are no restrictions on borrowing contained in the Articles. It is intended that the Company will borrow no more than 20 per cent. of Net Asset Value and, as at 14 October 2011, the Company had outstanding indebtedness of £1,042,830.34 under its prime brokerage facility with Credit Suisse Securities (Europe) Limited.

7. Dividend Policy

It is not envisaged that any income derived from the Company's investments will be distributed by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future to shareholders, if they consider it appropriate to do so. To the extent that a dividend is declared, it will be paid in compliance with any applicable laws.

8. Net Asset Value Publication and Calculation

The Company publishes, during the following month, the Net Asset Value as prepared by the Administrator as at each month end. In normal circumstances, publication of the Net Asset Value will take place within 5 business days after the month end and will be notified to the CISX and to the London Stock Exchange (through a Regulatory Information Service provider).

The Net Asset Value of the Company will be determined by the Administrator by deducting the value of the liabilities of the Company (including any accrued performance fee and any accrued management fee) from the value of the Company's assets. The Company's assets and liabilities will be valued in accordance with IFRS accounting policies. The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice.

The Directors have delegated to the Administrator the determination of the Net Asset Value. An unaudited Net Asset Value estimate is also calculated weekly and notified to the CISX and to the London Stock Exchange (through a Regulatory Information Service provider) as soon as practicable after calculation.

The Directors believe that there are no circumstances in which valuations will be suspended. However, if circumstances arose where such valuations are suspended, the information will be communicated to shareholders by means of an announcement via the CISX website (www.cisx.com) and a Regulatory Information Service provider. Should the calculation of the Net Asset Value be suspended for any period of time, the Listed Status of the securities of the Company on the Official List of the CISX may be suspended.

The Net Asset Value per Ordinary Share was stated as £102.12 as at 30 September 2011. All subsequent valuations of the Net Asset Value per Ordinary Share will be notified to the CISX and the London Stock Exchange as soon as practicable after calculation. At 30 September 2011, the Net Asset Value of the Company was £41,228,444.30.

The Net Asset Value per Ordinary Share prices for the last business day of each month since 30 June 2011 and as at 14 October 2011 are set out in the table below:

14 October 2011	111.15p (<i>estimate</i>)
30 September 2011	102.12p
31 August 2011	122.68p
29 July 2011	127.38p
30 June 2011	118.17p

9. Further Issues of Shares

The Company intends to issue further Ordinary Shares as and when it is considered by the Board appropriate to do so.

There are no provisions of Guernsey law equivalent to sections 561 *et seq* of the Companies Act 2006 (as amended) in the UK which confer pre-emption rights on existing shareholders in connection with the allotment or issue of equity securities for cash.

Pursuant to the CISX Listing Rules, other than through the exercise of the subscription rights under the Subscription Shares, Ordinary Shares may not be issued at a price which is less than the Net Asset Value per Ordinary Share unless authorised by a majority of the holders of the Ordinary Shares or offered first on a *pro rata* basis to those holders.

10. Reports and Financial Statements

Audited annual financial statements are made up to 31 December in each year and unaudited interim financial statements are made up to 30 June in each year. An annual report and the audited financial statements of the Company will be sent to Shareholders as soon as practicable and in any event within six months of the financial year end, and the unaudited interim financial statements of the Company will be sent to Shareholders as soon as practicable and in any event within four months of the half-year end.

The Company's audited annual financial statements are prepared in accordance with IFRS, with the unaudited interim financial statements presented and prepared in a form consistent with that which will be adopted in the audited annual financial statements.

11. Website

Copies of the Company's annual financial statements and interim financial statements are available on the section of NCIM's website dedicated to the Company – http://www.ncim.co.uk/gppm_top.php, which section contains a link to regulatory announcements made to the CISX at <http://www.cisx.com/listedsecuritynewsitems.php?companyID=2465>.

A copy of this document will also be immediately available on the section of NCIM's website dedicated to the Company – http://www.ncim.co.uk/gppm_top.php.

12. Further Information

The attention of prospective investors is drawn to the information contained in Parts II to VIII (inclusive) of this document which provide additional information on the Company, the Bonus Issue and the Placing.

PART II

THE DIRECTORS, MANAGEMENT AND ADMINISTRATION

1. The Directors

The Directors have overall responsibility for the Company's activities including the review of its activities and performance. The Directors have primary responsibility for determining the Company's overall investment objectives, strategy and policy and for implementing the Company's investment policies. The Board is also responsible for supervising and reviewing the activities of the Investment Manager. The Board will endeavour to meet four times a year to review the Company's investment objectives and policies and as necessary to approve investments. The three Directors are non-executive directors of the Company and are fully independent of the Investment Manager.

The Directors are:

Malcolm Burne (*Non-executive Director*)

Malcolm Burne, is a former stockbroker and financial journalist with The Financial Times, He has controlled and managed fund management, venture capital and investment banking companies in London, Australia, Hong Kong and North America. He has been a director of over 20 companies, many of which have been in the mineral resource and gold exploration fields. In 1997, he founded Golden Prospect plc and was executive chairman until 2007 when the company changed its name to Ambrian Capital plc. In addition, he was executive chairman of the Australian Bullion Company (Pty) Ltd., which at the time was Australia's leading gold dealer and member of the Sydney Futures Exchange. He is currently a director of several other resources companies in Australia, the UK and Canada.

Kaare Foy (*Non-executive Director*)

Kaare Foy, has been a director of Great Panther Silver Limited (formerly Great Panther Resources Limited), a silver exploration and mining company based in Vancouver, since 1994. He is currently executive chairman of Great Panther and has been heavily involved with its silver and gold projects in North America. He also serves as executive chairman for Canadian exploration company Cangold Limited. Kaare has been a director of several other resource exploration and mining companies over the past eight years and worked with Malcolm Burne at the Australian Bullion Company (Pty) Ltd during the 1980s.

Robert King (*Non-executive Director*)

Robert King is a non-executive director of a number of investment funds and companies. He was a Director of Cannon Asset Management Limited and their associated companies, from October 2007 to February 2011 responsible for company secretarial and fund services. Prior to this he was a Director of Northern Trust International Fund Administration Services (Guernsey) Limited (formerly Guernsey International Fund Managers Limited) where he had worked from September 1990 to January 2007. He has been in the offshore finance industry since 1986 specialising in administration and structuring of offshore open and closed ended investment funds. Rob is British and resident in Guernsey.

Alternate Director

With effect from 4 October 2010, Dr. John Bowles FIMMM, FGS, FMinSoc, CGeol, CEng, CSci, PGeo, EurGeol. was appointed alternate director by Mr. Malcolm Burne and Mr. Kaare Foy.

John Bowles (*Alternate Director*)

For 40 years, Dr. Bowles has been active as an economic geologist and mineralogist specialising in gold and platinum resources. He has worked in University, Government Survey and Industry and is currently Honorary Visitor at the University of Manchester and Director of Mineral Science Ltd, a consultancy specialising in mineral assessment. He was a Director of the Company from its inception until 2008 and he has recently published a definitive reference work on the oxide minerals in the DHZ Rock-Forming Minerals series.

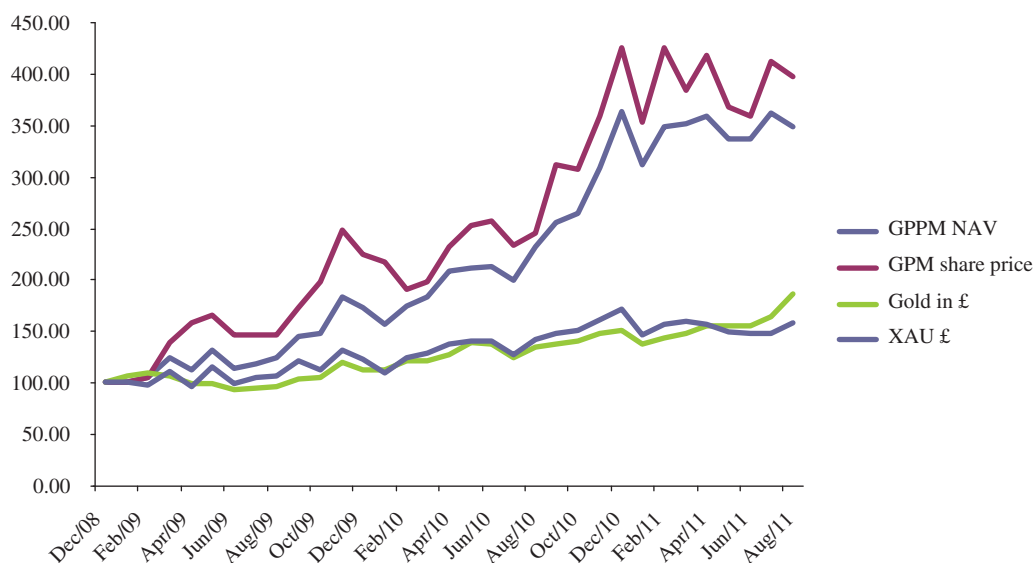
2. The Investment Manager

CQS Cayman Limited Partnership has been appointed as the investment manager to the Company, to manage and invest the assets of the Company in accordance with the investment approach and strategies described in this document. CQS, which is registered in the Cayman Islands, is part of the CQS Group, a global diversified asset manager running multiple strategies, with (as at 31 July 2011) US\$11.0 billion under management (including mandates with discretionary management, sub-investment discretionary management, investment advice, collateral management and intermediation). CQS has delegated its investment management and advisory functions, powers, authorities, duties and discretions to CQS Asset Management Limited trading as 'New City Investment Managers' but will retain the overall responsibility for all acts or omissions of NCIM carried out as a consequence of such delegation.

NCIM was established in 2004 to provide specialist fund management services for investors and is authorised and regulated in the UK by the Financial Services Authority. NCIM's founder, Richard Lockwood, has worked in the City of London since 1959. Richard set up NCIM's first fund, City Natural Resources High Yield Trust plc, in June 2003. NCIM was acquired on 1 October 2007 by CQS. NCIM is now responsible for 5 closed-ended investment funds with (as at 30 September 2011) funds under management in excess of £490 million: 4 resource funds and 1 high yield fund, which are managed by a specialist investment team with a wealth of experience across the natural resources and high yield sectors.

NCIM took over investment management of the Company in September 2008. Since that date, the total gross assets of the Company have increased from £8.8 million to £49.6 million (*August 2011*).

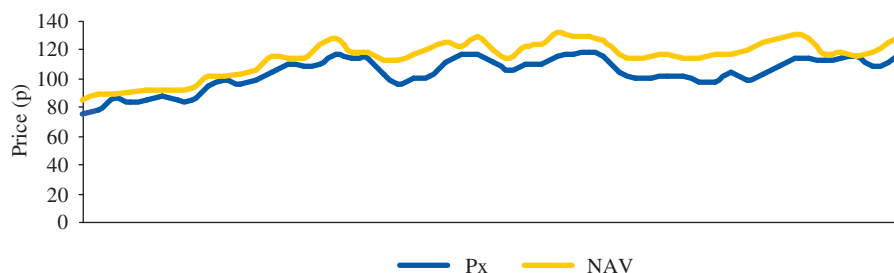
Since January 2009, the Company's share price has gained +296 per cent. In comparison, gold has increased +85.4 per cent. and the XAU +57.6 per cent. over the same period.



Source: Bloomberg, Legis Group/NCIM. Past performance no guarantee of future returns. Rebased to 100 December 2008

NAV total return of the Company from 2 January 2009 to 1 September 2011 was 248.5 per cent. and NAV total return for the year end 31 August 2011 was 50.5 per cent. The Company's NAV, discount and share price performance between 14 September 2010 and 14 September 2011 is set out in the chart below.

GPPM – 12 month price and NAV



Sources: SCM, FactSet (as at 14 September 2011)

John Wong manages the Company's portfolio and is a Chartered Accountant with over 10 years' experience including investment management roles at Ruffer LLP and Rothschild Asset Management. John has been the Company's lead manager since September 2008.

Investment Manager Services and Fees

Under the Investment Management Agreement, the Investment Manager has agreed, *inter alia*, to advise the Company on its investment strategy, source potential investments, appraise any such investments in accordance with the investment approach as set out in paragraph 4 of Part I of this document, and to advise on divestments. In addition, it will also actively manage the Portfolio with the aim of increasing the Net Asset Value of the Company.

The Investment Manager will be entitled to an investment management fee, payable by the Company monthly in arrears, of up to one twelfth of 1.5 per cent., of the Company's Net Asset Value (before deduction of the month's investment management fee and before deduction of any accrued performance fee) and from which it may, at its discretion, pay to any person to which it may have delegated any of the functions it is permitted to delegate. The Administrator will calculate the investment management fee. The Investment Manager is also entitled to reimbursement of certain expenses incurred by it in connection with its duties.

The Investment Manager will also be entitled to an annual performance fee equal to 20 per cent. of the increase in the Company's Net Asset Value on the last business day of each calendar year, above an annual hurdle for growth of 8 per cent., and subject to a 'high water mark'. The Administrator will again calculate the performance fee and it will be due to the Investment Manager within 30 business days of the last business day of the year to which it applies.

Potential Conflicts of Interest

As a result of the Investment Manager having the opportunity to receive the investment management fee and a performance fee as described above, the Investment Manager and its affiliates may have conflicts of interest in allocating investments among the Company and its other clients and in effecting transactions between the Company and other clients, including ones in which the Investment Manager and its affiliates may have a greater financial interest. Where appropriate, the Investment Manager and its affiliates may give advice or take action with respect to such other clients that differs from the advice given with respect to the Company.

The Investment Manager and its affiliates may be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds which may have similar investment policies to that of the Company.

Each of these parties will have regard to its obligations under its agreement with the Company or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients, when potential conflicts of interest arise. In the event of a conflict of interest arising involving the Investment Manager, the Investment Manager will seek to resolve such conflict of interest fairly. In particular, the Investment Manager will use its reasonable efforts to ensure that the Company has the

opportunity to participate in potential investments identified by the Investment Manager which fall within the Company's investment objective and policy on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained.

The Investment Manager and its affiliates may carry on investment activities for their own accounts, for the accounts of their employees and for other accounts in which the Company has no interest. The Investment Manager and its affiliates may also provide investment management services to other clients, including other collective investment vehicles. The Investment Manager and its affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or securities recommended or bought for, the Company, even though their investment programmes may be the same or similar.

Certain inherent conflicts of interest arise from the fact that the Investment Manager and its affiliates generally carry on other investment activities in which the Company will have no interest. The Investment Management Agreement does not impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunity by the Investment Manager to the Company. The Investment Manager and its members, officers and employees will devote as much of their time to the activities of the Company as they deem necessary and appropriate. The Investment Manager and its affiliates are not restricted from forming additional investment funds, from entering into other investment management or advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources of the Investment Manager. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Investment Manager and its officers and employees will not be devoted exclusively to the business of the Company, but will be allocated between the business of the Company and the management of the monies of other clients of the Investment Manager.

The Company may, whether for the account of the Company or otherwise to the extent permitted by applicable law, engage in transactions with the Investment Manager or its affiliates.

The Investment Manager may allocate a portion of the Company's assets to portfolio investments managed by the Investment Manager or its affiliates to the extent that the Investment Manager determines, in its sole discretion, that such portfolio investments represent an appropriate investment strategy for the Company.

3. CISX Sponsor, Administrator and Secretary

The Company has appointed Legis Fund Services Limited ("**Legis**") as its CISX sponsor, Administrator and Secretary. Legis was incorporated in Guernsey on 19 October 1988 with registered number 19606 and is a wholly-owned subsidiary of Legis Group Limited, also incorporated in Guernsey. Legis is regulated by the Guernsey Financial Services Commission and is licensed to carry on 'controlled investment business' under The Protection of Investors (Bailiwick of Guernsey) Law, 1987. Pursuant to the Administration and Secretarial Agreement, Legis is responsible for providing administration and secretarial services to the Company, including the calculation of the Net Asset Value and the Net Asset Value per Share of the Company. As Administrator and Secretary Legis is paid an annual fee of £55,000 paid monthly in arrears. As CISX Sponsor, Legis receives an annual retainer fee of £2,500. In addition, Legis will be paid a fixed fee of £10,000 for the work undertaken in relation to the listing of the Placing Shares and the Subscription Shares on the CISX and a fee for quarterly conversion and listing/de-listing of Ordinary Shares/Subscription Shares of £500 per listing if the listing increases the Ordinary Shares in issue by less than 10 per cent. or £1,000 per listing if the listing increases the Ordinary Shares in issue by 10 per cent. or more.

4. Registrar

Capita Registrars (Guernsey) Limited has been appointed as the Company's Registrar, to provide registration services to the Company and to maintain the Register. Capita Registrars receives a maintenance fee of £2.24 per shareholder account per annum, subject to a minimum aggregate charge of £4,776 per annum and a minimum annual increase at the rate of the Retail Prices Index prevailing at that time. Capita Registrars also receives a transfer agency fee of £1,500 per annum.

5. Custodian and Prime Broker

Credit Suisse Securities (Europe) Limited acts as custodian of the Company's assets and, in that capacity, is responsible for ensuring safe custody and dealing with settlement arrangements. Credit Suisse Securities (Europe) Limited's appointment as custodian is terminable upon 30 days' notice given by either party. Credit Suisse Securities (Europe) Limited will receive fees for the provision of such services at rates depending on the number of trades effected and location of securities held. A summary of the main provisions of the Master Prime Brokerage Agreement is set out in paragraph 5.5 of Part VIII of this document.

6. Company Fees and Expenses

Ongoing and Annual Expenses

The Company incurs ongoing operative and administrative annual expenses. These expenses include the following:

(i) *Investment Manager*

The Investment Manager will be entitled to an investment management fee and a performance fee, further details of which are set out above and in paragraph 5.1 of Part VIII of this document.

(ii) *Custodian and Prime Broker Services*

The Custodian, in its role as custodian and prime broker for the Company's investments, cash and other assets will be paid fees, as well as reimbursement of certain expenses incurred in connection with its duties, further details of which are set out in paragraph 5.5 of Part VIII of this document.

(iii) *Administration and Secretarial*

The Administrator, in its role as the Company's administrator and secretary will be paid fees, as well as reimbursement of certain expenses incurred in connection with its duties, further details of which are set out in paragraph 5.7 of Part VIII of this document.

(iv) *Registrar*

Capita Registrars, in its role as the Company's registrar, will be paid fees, as well as reimbursement of certain expenses incurred in connection with its duties, details of which are set out above.

(v) *CISX Sponsor*

Pursuant to the sponsor agreement between the Company and Legis Fund Services Limited, Legis Fund Services Limited has agreed to act as sponsor to the Company for the purposes of the CISX Listing Rules for an annual fee of £2,500. The appointment may be terminated by either party on not less than 60 days' written notice given by either party and the agreement contains certain indemnities given by the Company in favour of Legis Fund Services Limited.

Further details of the sponsor agreement are set out in paragraph 5.8 of Part VIII of this document.

(vi) *Financial adviser and broker*

Pursuant to the engagement letter between Singer Capital Markets and the Company, Singer Capital Markets has agreed to act as financial adviser and corporate broker to the Company for an annual fee of £14,400. The appointment may be terminated by either party on not less than 30 days' written notice and the agreement contains various undertakings and indemnities given by the Company in favour of Singer Capital Markets.

Further details of the engagement letter are set out in paragraph 5.11 of Part VIII of this document.

(vii) *Directors*

Each Director will be paid an annual fee of £16,000 per annum. The Directors are also entitled to reimbursement of their reasonable expenses incurred in connection with the Company's business.

(viii) *Other Operational Expenses*

The Company also pays the costs and expenses of (i) all transactions carried out by it or on its behalf and (ii) the administration of the Company including (a) the charges and expenses of legal advisers and independent auditors, (b) brokers' commissions (if any) and any issue or transfer taxes chargeable in connection with its investment transactions, (c) all taxes and corporate fees payable to governments or agencies, (d) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, admission documents and similar documents, (e) the cost of insurance for the benefit of the Directors (if any), (f) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business and (f) all other organisational and operating expenses. These expenses will be deducted solely from the assets of the Company. All out-of-pocket expenses of the Investment Manager, the Administrator, the Custodian, the Registrar and CREST Agent and the Directors relating to the Company will be borne by the Company.

PART III

THE PLACING

1. Description of the Placing

Under the Placing, up to 16,630,000 Ordinary Shares are being issued to Placees at the Placing Price of 112 pence per Ordinary Share, raising gross proceeds of up to £18.6 million, subject to commissions and other estimated fees and expenses of up to £400,000.

As part of the Placing, Malcolm Burne, Kaare Foy and John Bowles have agreed to subscribe for 25,000 Placing Shares, 5,000 Placing Shares and 900 Placing Shares (respectively).

The net proceeds to the Company, assuming the Placing is fully subscribed, will amount to approximately £18.2 million, after deduction of fees and expenses payable by the Company which are related to the Placing. The proceeds are expected to be received by the Company on or around 29 October 2011. The Placing is conditional on, *inter alia*, Admission of the Placing Shares. The Placing will become unconditional on Admission of the Placing Shares, which is expected to occur on 26 October 2011.

The Placing Shares are being made available to institutional investors in the UK and certain other jurisdictions. No Placing Shares have been sold or made available in whole or in part to the public in the UK or elsewhere in connection with the Placing.

The outcome of the Placing will be announced via the CISX and a Regulatory Information Service provider on the London Stock Exchange on Admission of the Placing Shares, which is expected to take place at 8.00 a.m. on 26 October 2011.

The Directors intend that the Net Proceeds of the Placing will be invested by the Company in accordance with the Company's investment objective and approach.

2. Admission, Dealings and CREST

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission of the Placing Shares occurring at 8.00 a.m. on 26 October 2011 or such later time and date as may be agreed by Singer Capital Markets and the Company (being not later than 8.00 a.m. on 9 November 2011).

Application has been made for the Placing Shares to be admitted to the Official List of the CISX and to be admitted to trading on the SETSqx trading platform of the London Stock Exchange. Admission of the Placing Shares is expected to take place and unconditional dealings in the Placing Shares are expected to commence on the CISX at 8.00 a.m. on 26 October 2011.

Where applicable, definitive certificates in respect of the Placing Shares are expected to be despatched, by post at the risk of the recipients, to the relevant placees, not later than 10 business days following Admission of the Placing Shares. The Placing Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Placing Shares which are to be held in certificated form, transfers of those Placing Shares will be certified against the Register. No temporary documents of title will be issued.

3. Placing Agreement

The Company, the Investment Manager and Singer Capital Markets have entered into the Placing Agreement pursuant to which Singer Capital Markets has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing is not being underwritten.

Singer Capital Markets may terminate the Placing Agreement (and the arrangements associated with it) at any time prior to Admission of the Placing Shares in certain circumstances (including for a material breach of warranty). If this right is exercised, the Placing will lapse.

Further details of the terms of the Placing Agreement are contained in paragraph 5.12 of Part VIII of this document.

4. Allocation and Pricing

All Placing Shares issued pursuant to the Placing will be issued at the Placing Price, which has been determined by the Company and the Investment Manager after consultation with Singer Capital Markets.

Allocations will be determined by agreement between Singer Capital Markets and the Company after indications of interest from prospective placees have been received. A number of factors will be considered upon deciding the basis of allocations under the Placing, including the level and nature of the demand for the Placing Shares and investor profile.

Each prospective placee will only be entitled to acquire their allocation, conditional upon Admission of the Placing Shares occurring and becoming effective by 8.00 a.m. London time on 26 October 2011 (or such later time and date as the Company and Singer Capital Markets may agree (not being later than 8.00 a.m. on 9 November 2011)). An investor who has applied for Ordinary Shares agrees to become a member of the Company and agrees to acquire those Ordinary Shares allocated to it by Singer Capital Markets at the Placing Price. To the fullest extent permitted by law, placees will not be entitled to rescind their agreement at any time.

The rights attaching to the Placing Shares will be uniform in all respects and all of the Placing Shares will form a single class with the Ordinary Shares in issue at the date of their allotment, for all purposes.

5. Payment

Each placee will be required to undertake to pay the Placing Price for the Placing Shares issued to such placee in such manner as will be directed by Singer Capital Markets in the placing letter sent to them by Singer Capital Markets.

If Admission of the Placing Shares does not occur, subscription monies will be returned without interest by Singer Capital Markets.

6. CREST

A placee applying for Placing Shares in the Placing will (under the terms of the placing letter) be deemed to have elected to receive Subscription Shares in uncertificated form, if such placee elects to receive Placing Shares in uncertificated form (and such placee is a system-member (as defined in the CREST Regulations) in relation to CREST).

7. Overseas Investors

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Placing Shares (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised; (ii) in any jurisdiction in which the person making such offer, invitation or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this document and any accompanying documents, and the offer and sale of the Placing Shares may be restricted by law. Persons into whose possession this document and any accompanying documents come must therefore inform themselves about and observe any such restrictions.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no document may be distributed, forwarded to or transmitted in, into or from the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to any US Person. Any person within the United States and any US Person who obtains a copy of this document must disregard it.

No public offering of the Placing Shares is being made in any jurisdiction. No action has been or will be taken by the Company, the Investment Manager, Singer Capital Markets or the CISX Sponsor or their affiliates that would permit the offer or sale of the Placing Shares or possession or distribution of this document or any accompanying documents in any jurisdiction where action for that purpose is required.

The offer and sale of the Placing Shares have not been, nor will they be, registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Company has not been, and will not be, registered under the Investment Company Act 1940, and investors will not be entitled to the benefits of that Act. The Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Person. In connection with the Placing, the Placing Shares are being offered and sold only outside the United States to, and for the account or benefit of, non-US Persons in 'offshore transactions' within the meaning of, and in reliance on the exemption from registration provided by, Regulation S under the Securities Act.

Notwithstanding any other provision of this document, the Company reserves the right to permit any placee to subscribe for Placing Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

PART IV

BONUS ISSUE OF THE SUBSCRIPTION SHARES

1. Description of the Bonus Issue

The Company will be issuing, for nil consideration, up to 28,500,000 Subscription Shares of no par value to Qualifying Shareholders, by way of the Bonus Issue, on the basis of one Subscription Share for every two existing Ordinary Shares held on the Record Date. No fractions of Subscription Shares will be allotted or issued and entitlements will be rounded down to the nearest whole number of Subscription Shares.

Each Subscription Share will confer the right (but not the obligation) to subscribe for one Ordinary Share upon exercise of the Subscription Rights and on payment of the Subscription Price, as set out below.

The Subscription Rights may be exercised by notice in writing to the Company given quarterly on the last business day in August, November, February or May (after and including the last business day in May 2012) up until (and including) 28 November 2014, after which the Subscription Rights will lapse. The Ordinary Shares arising on exercise of the Subscription Rights will be allotted within 10 days of the relevant subscription date.

The Subscription Price of 130p per Ordinary Share (as announced by the Company on 18 October 2011) represents a 17 per cent. premium to the NAV per Ordinary Share published on 17 October 2011 (being the latest published NAV per Ordinary Share prior to the date of publication of this document).

The premium to NAV included in the Subscription Price reflects the Board's confidence in the Company's near term prospects and its hope that Qualifying Shareholders will be able to exercise their Subscription Rights and acquire Ordinary Shares on favourable terms in the near future.

The ISIN of the Subscription Shares is GG00B63JZY45 and the ticker is GPMS.L.

2. Subscription Shares

The rights attaching to the Subscription Shares are set out in full in Part V of this document.

Application has been made for the Subscription Shares to be admitted to the Official List of the CISX and to be admitted to trading on the SETSqx trading platform of the London Stock Exchange. It is expected that Admission of the Subscription Shares will become effective and that dealings in the Subscription Shares will commence on 31 October 2011.

Where applicable, definitive certificates in respect of the Subscription Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders of Ordinary Shares, not later than 10 business days following Admission of the Subscription Shares. The Subscription Shares are in certificated form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Subscription Shares which are to be held in certificated form, transfers of those Subscription Shares will be certified against the Register. No temporary documents of title will be issued.

3. Restricted Shareholders

The issue of the Subscription Shares to persons who have a registered or mailing address in Restricted Territories may be affected by the law or regulatory requirements of the relevant jurisdiction.

The Subscription Shares to be issued under the Bonus Issue will not be issued to Restricted Shareholders. The Board will allot any Subscription Shares due under the Bonus Issue to Restricted Shareholders to a market maker who will sell such Subscription Shares promptly at the best price obtainable. The proceeds of sale will be paid to the Restricted Shareholders entitled to them save that entitlements of less than £3.00 per Restricted Shareholder will be retained by the Company for its own account.

Notwithstanding any other provision of this document, the Company reserves the right to permit any Shareholder to take up Subscription Shares under the Bonus Issue if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Restricted Shareholders who believe that they are entitled to take up Subscription Shares under the Bonus Issue should contact the Company as soon as possible to discuss the matter.

Any Shareholder who is in any doubt as to his position should consult an appropriate independent professional adviser without delay.

PART V

DETAILS OF THE SUBSCRIPTION SHARES

Terms of the Subscription Shares

The rights and obligations attaching to the Subscription Shares are set out in full below. The Subscription Shares have been established by a resolution of the Directors pursuant to their powers under the Articles and prospective investors should therefore review this section in conjunction with the Articles, a copy of which is available from the Company and is also available for download from the section of NCIM's website dedicated to the Company – <http://www.ncim.co.uk/gppm>

(a) *Subscription Rights*

- (i) A registered holder for the time being of Subscription Shares (a “**Subscription Shareholder**”) shall have rights (“**Subscription Rights**”) to convert all or any of his Subscription Shares into fully paid Ordinary Shares on the basis of one Ordinary Share for every Subscription Share so converted and so on in proportion for any greater or lesser number of Subscription Shares (the “**Conversion Rate**”) by:

- (A) subscribing in cash on the last business day in August, November, February or May after and including the last business day in May 2012 (each a “**Subscription Date**”) for all or any of the Ordinary Shares for which it is entitled to subscribe in respect of such Subscription Shares of which it is the holder at the price 130 pence per Ordinary Share (the “**Subscription Price**”) payable in full on subscription with the final date being 28 November 2014 (the “**Final Subscription Date**”); and

- (B) otherwise complying with paragraph (a)(iii) below.

The number of Ordinary Shares to which each Subscription Share relates is one Ordinary Share, but the Subscription Price (and the number of Subscription Shares outstanding) will be subject to adjustment as provided in paragraph (b) (*Adjustment of Subscription Rights*) below.

- (ii) Subscription Shares will be issued in either certificated form (“**Certificated Subscription Shares**”) or uncertificated form (“**Uncertificated Subscription Shares**”). In the case of:

- (A) Certificated Subscription Shares, a Subscription Shareholder will be entitled to a share certificate in respect of his holding of Subscription Shares; and

- (B) Uncertificated Subscription Shares, a Subscription Shareholder's title to such Subscription Shares will be recorded in the relevant register as being held in such form as will by virtue of the Uncertificated Securities Regulations 2001 (*SI 2001 No. 3755*) (“**Regulations**”) enable the transfer of title to the Subscription Shares to be effected without a written instrument by means of a relevant electronic system (a “**Relevant Electronic System**”).

- (iii) In order to exercise the Subscription Rights in respect of any Certificated Subscription Shares on any Subscription Date, in whole or in part, the Subscription Shareholder must lodge the relevant Subscription Share certificate(s) (or such other document as the Company may, in its discretion, accept) at the office of the Registrar during the period of 28 days ending at 3.30 p.m. on the relevant Subscription Date having completed the notice of exercise of Subscription Rights thereon accompanied by a remittance for the Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are being exercised. Any notice of exercise received after 3.30 p.m. on any business day will be treated as having been exercised on the following business day. The Directors may accept as valid, notices of exercise of Subscription Rights which are received after the relevant Subscription Date (“**Certificated Subscription Notice**”) provided they are accompanied by the correct remittance, as described above. Once lodged, a

notice of exercise of Subscription Rights shall be irrevocable save with the consent of the Directors. Compliance must also be made with any statutory and regulatory requirements for the time being applicable.

- (iv) The Subscription Rights which are conferred by any Uncertificated Subscription Shares shall be exercisable, in whole or in part, (and treated by the Company as exercised) on the relevant Subscription Date if, not later than 1.00 p.m. on the relevant Subscription Date (i) an Uncertificated Subscription Notice is received as referred to below and (ii) a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are being exercised is received by the Company (or by such person as it may require for these purposes). For these purposes, an **“Uncertificated Subscription Notice”** shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company (or by such person as it may require for these purposes) in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the regulations and the facilities, rules and requirements of the Relevant Electronic System). The Directors may, in addition but subject to the regulations and facilities and requirements of the Relevant Electronic System, determine when any such properly authenticated dematerialised instruction and/or other instruction or notification and any such remittance is to be treated as received by the Company or by such person as it may require for these purposes. Without prejudice to the generality of the foregoing, the effect of the Uncertificated Subscription Notice may be such as to divest the Subscription Shareholder concerned of the power to transfer such Subscription Shares to another person. Once lodged, an Uncertificated Subscription Notice shall be irrevocable save with the consent of the Directors. To be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.
- (v) Not earlier than 56 days nor later than 28 days before each Subscription Date, the Company shall give notice in writing to the holders of the outstanding Subscription Shares reminding them of their Subscription Rights and, in relation to any Uncertificated Subscription Shares, stating the form of Uncertificated Subscription Notice prescribed by the Directors.
- (vi) Ordinary Shares issued pursuant to the exercise of Subscription Rights which are conferred by any Certificated Subscription Shares will be allotted within ten (10) business days of the relevant Subscription Date. The Ordinary Shares arising on exercise of the Subscription Rights shall be allotted with effect from the date of their allotment (and not the date upon which the Certificated Subscription Notice is given or deemed given in accordance with paragraph (a)(iv) above). Certificates in respect of such Ordinary Shares, together, if applicable, with a new certificate for the balance of any Certificated Subscription Shares in respect of which the Subscription Rights have not been exercised, will be despatched (at the risk of the person(s) entitled thereto) not later than twenty eight (28) days after the relevant allotment date to the person(s) in whose name(s) the Subscription Share is registered at the date of exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty reserve tax or any other tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Company’s registrars (and, if more than one, to the first-named, which shall be sufficient despatch for all).
- (vii) Ordinary Shares issued pursuant to the exercise of Subscription Rights which are conferred by any Uncertificated Subscription Shares will be allotted within ten (10) business days of the relevant Subscription Date. The Ordinary Shares arising on exercise of the Subscription Rights shall be allotted with effect from the date of their allotment (and not the date upon which the Uncertified Subscription Notice is given or deemed given in accordance with paragraph (a)(iii) above). The Company shall procure that the appropriate instructions are given to enable such Ordinary Shares to be credited in uncertificated form to the relevant account within the Relevant Electronic System of the person(s) in whose name(s) the Subscription Shares in respect of which the Subscription Rights have been exercised were registered as at the date of such exercise or (subject as provided by law, to the payment of stamp duty reserve tax or any

other tax as may be applicable, to such terms and conditions as the Directors may from time to time prescribe for this purpose, to the regulations, and the facilities, rules and requirements of the Relevant Electronic System)) to such other person(s) (not being more than four in number) as may be named in the properly authenticated dematerialised instruction and/or other instruction or notification in such form.

- (viii) For the avoidance of doubt, unless the Directors otherwise determine or unless the regulations or the facilities, rules or requirements of the Relevant Electronic System otherwise require, the Ordinary Shares issued on the exercise of any Subscription Rights shall be issued in certificated form where such Subscription Rights were conferred by Certificated Subscription Shares and in uncertificated form where such Subscription Rights were conferred by Uncertificated Subscription Shares.
- (ix) Ordinary Shares allotted pursuant to the exercise of Subscription Rights will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to the relevant Subscription Date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares and otherwise will rank *pari passu* in all other respects with the Ordinary Shares in issue at the relevant Subscription Date.
- (x) Applications will be made to the Channel Islands Stock Exchange and to the London Stock Exchange for the Ordinary Shares allotted pursuant to any exercise of Subscription Rights to be admitted to the Official List of the Channel Islands Stock Exchange and to trading on SETSqx (respectively).
- (xi) If, immediately after any Subscription Date (other than the Final Subscription Date) and after giving effect to any Subscription Rights exercised on that date, Subscription Rights shall have been exercised in respect of 75 per cent. or more of the Ordinary Shares to which the total number of Subscription Shares issued relate (excluding any Ordinary Shares to which Subscription Rights attached to Subscription Shares purchased by the Company or any of its subsidiaries relate), the Company shall be entitled within fourteen (14) days thereafter to serve notice in writing on the holders of the Subscription Shares then outstanding of its intention to appoint a trustee for the purposes set out below upon the expiry of twenty one (21) days from the date of such notice (the “**Notice Period**”) and for this purpose the Notice Period shall expire at 3.30 p.m. upon the 21st day. However, such notice shall in its terms give the holders of the Subscription Shares so outstanding a final opportunity to exercise their Subscription Rights in the manner set out at paragraphs (a)(iii) and (a)(iv) above before the expiry of the Notice Period. Forthwith after the expiry of the Notice Period, the Company shall appoint a trustee who, provided that in his opinion the net proceeds of sale after deduction of all costs and expenses incurred by him will exceed the costs of subscription, shall within the period of fourteen (14) days following the expiry of the Notice Period exercise the Subscription Rights which shall not have been exercised on the terms (subject to any adjustments pursuant to paragraph (b)(i) to (b)(vi) below) on which the same could have been exercised immediately prior to the expiry of the Notice Period if they had been exercisable and been exercised and sell in the market the Ordinary Shares acquired on such subscription. The trustee shall distribute *pro rata* the net proceeds of such sale less such subscription costs and such other costs and expenses to the persons entitled thereto within two (2) months of the relevant Subscription Date, provided that entitlements of under £3.00 shall be retained for the benefit of the Company.

Following the expiry of the Notice Period, if the trustee shall not exercise the Subscription Rights within the period of fourteen (14) days following such expiry as aforesaid (and his decision in respect thereof shall be final and binding on all holders of outstanding Subscription Shares), all Subscription Rights shall lapse and all outstanding Subscription Shares shall be converted into special deferred shares (as defined at paragraph (a)(viii) below) (“**Special Deferred Shares**”).

- (xii) Special Deferred Shares shall only be issued in certificated form. Special Deferred Shares shall on a return of assets in a winding-up entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the Ordinary Shares and shall not entitle the holder to the payment of any dividend nor to receive notice of or to attend or vote at any general meeting of the Company and such conversion shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as custodian thereof and to cancel and/or purchase the same without making the payment to or obtaining the sanction of the holder thereof and pending such transfer and/or cancellation and/or purchase to retain the certificate for such shares. The Company may at its option at any time after the creation of any Special Deferred Shares redeem all or any of the Special Deferred Shares then in issue, at a price not exceeding 1p for all the Special Deferred Shares redeemed.
- (xiii) Within seven (7) days following the Final Subscription Date, the Company shall appoint a trustee who, provided that in his opinion the net proceeds of sale after deduction of all costs and expenses incurred by him will exceed the costs of subscription, shall within the period of fourteen (14) days following such Final Subscription Date exercise the Subscription Rights which shall not have been exercised on the terms on which the same could have been exercised on the Final Subscription Date and sell in the market the Ordinary Shares acquired on such subscription. The trustee shall distribute *pro rata* the net proceeds of such sale less such subscription costs and such other costs and expenses to the persons entitled thereto at the risk of such persons within two (2) months of the Final Subscription Date, provided that entitlements of under £3.00 shall be retained for the benefit of the Company. If the trustee shall not exercise the Subscription Rights within the period of fourteen (14) days following such final subscription as aforesaid (and his decision in respect thereof shall be final and binding on all holders of outstanding Subscription Shares), all Subscription Rights shall lapse and all outstanding Subscription Shares shall be converted into Special Deferred Shares.
- (xiv) The trustee referred to in paragraphs (a)(xi) and (a)(xiii) above shall have no liability of any nature whatsoever where he has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.
- (xv) The Subscription Shares and the Ordinary Shares arising on exercise of the Subscription Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and the relevant exemptions have not been and will not be obtained from the Securities Commission or similar regulatory authority of any province of Canada.
- (xvi) Conversion of such Subscription Shares as are due to be converted as aforesaid on any Subscription Date (in this paragraph (a) referred to as the “**Relevant Shares**”) shall be effected in accordance with the following provisions of this paragraph (a) or in such other manner as may be authorised by law.
- (xvii) To enable conversion to be effected the Directors shall, and are hereby authorised to, capitalise any part of the amount then standing to the credit of any of the Company’s reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the stated capital account, capital redemption reserve, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full the shares created and to be issued pursuant to the preceding paragraphs above (or such of those shares as shall not have been created and issued pursuant to such paragraphs) to be allotted and issued, credited as fully paid, to and amongst the holders of the Subscription Shares exercising their subscription rights in accordance with their respective entitlements.

(b) ***Adjustment of Subscription Rights***

The Subscription Price (and the number of Subscription Shares outstanding) shall from time to time be adjusted in accordance with the provisions of this paragraph (b):

- (i) if and whenever there shall be an alteration in the amount of the Ordinary Shares as a result of a consolidation, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which the numerator shall be the amount of one such Ordinary Share immediately after such alteration and the denominator shall be the nominal amount of one such Ordinary Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect;
- (ii) if and whenever the Company shall allot to Shareholders any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend), the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which the numerator shall be the aggregate amount of the issued Ordinary Shares immediately before such allotment and the denominator shall be the aggregate amount of the issued and allotted Ordinary Shares immediately after such allotment, and such adjustment shall become effective as at the date of allotment of such Ordinary Shares;
- (iii) if on a date (or by reference to a record date) on or before the Final Subscription Date, the Company makes any offer or invitation (whether by way of rights issue or otherwise but not being an offer to which paragraph (c)(vii) below applies or an offer made in connection with scrip dividend arrangements) to the holders of the Ordinary Shares, or any offer or invitation (not being an offer to which paragraph (c)(vii) below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then Subscription Shareholders as if their Subscription Rights had been exercisable in accordance with the terms set out herein/and had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraph (b)(i) to (b)(vi)) on which the same could have been exercised on that date, provided that, if the Directors of the Company so resolve in the case of any offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the then holders of the Subscription Shares but the Subscription Price shall be adjusted: (i) in the case of an offer of new Ordinary Shares for subscription by way of rights at a price less than the market price at the date of announcement of the terms of the offer, by multiplying the Subscription Price in force immediately before such announcement by a fraction of which the numerator is the number of Ordinary Shares in issue on the date of such announcement plus the number of Ordinary Shares which the aggregate amount payable for the total number of new Ordinary Shares comprised in such rights issue would purchase at such market price and the denominator is the number of Ordinary Shares in issue on the date of such announcement plus the aggregate number of Ordinary Shares offered for subscription and (ii) in any other case, in such manner as the auditors for the time being of the Company (the “**Auditors**”) shall report in writing to be fair and reasonable. Any such adjustments shall become effective, in the case of (i) above, as at the date of allotment of the new Ordinary Shares which are the subject of the offer or invitation and, in the case of (ii) above, as at the date determined by the Auditors. For the purposes of this paragraph (b)(iii), “**Market Price**” shall mean the average of the middle market quotations (as derived from Bloomberg) for one Ordinary Share for the five (5) consecutive dealing days ending on the dealing day immediately preceding the day on which the market price is to be ascertained;
- (iv) no adjustment will be made to the Subscription Price pursuant to paragraphs (b)(i), (b)(ii) or (b)(iii) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph (b)(i) above) if it would result in an increase in the Subscription Price and, in any event, no adjustment will be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph (b)(iv)) be less than

1 per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest 1p. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment;

- (v) whenever the Subscription Price is adjusted as provided in accordance with paragraph (b)(i) to paragraph (b)(iv) (inclusive) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph (b)(i) above), the Company shall issue, credited as fully paid, additional Subscription Shares to each Subscription Shareholder at the same time as such adjustment takes effect. The number of additional Subscription Shares to which a Subscription Shareholder shall be entitled shall be the number of existing Subscription Shares held by him multiplied by the following fraction:

$$\frac{X - Y}{Y}$$

where:

‘X’ = the Subscription Price immediately before the adjustment; and

‘Y’ = the Subscription Price immediately after the adjustment.

Fractions of Subscription Shares will not be allotted to Subscription Shareholders but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the to the Subscription Shareholders entitled thereto at the risk of such persons, save that amounts of less than £3.00 will be retained for the benefit of the Company. Subscription Share certificates relating to such additional Certificated Subscription Shares will be issued within twenty one (21) days of the said adjustment taking effect or the Company will procure that appropriate instructions are given to enable such additional Uncertificated Subscription Shares to be credited to the relevant account within the Relevant Electronic System of the person(s) in whose name(s) the Uncertificated Subscription Shares are registered as at the date of the adjustment;

- (vi) whenever the Subscription Price is adjusted by reason of a consolidation of Ordinary Shares as referred to in paragraph (b)(i) above, the number of Ordinary Shares for which each Subscription Shareholder is entitled to subscribe will be amended accordingly;
- (vii) the Company shall give notice to Subscription Shareholders within twenty eight (28) days of any adjustment made pursuant to paragraph (b)(i) to (b)(vi) above;
- (viii) if a Subscription Shareholder shall become entitled to exercise his Subscription Rights pursuant to paragraph (c)(vii) below, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Auditors in accordance with the following formula:

$$A = (B - C) + D$$

where:

‘A’ = the reduction in the Subscription Price;

‘B’ = the Subscription Price which would, but for the provisions of this paragraph (b)(viii), be applicable (subject to any adjustments previously made pursuant to paragraph (b)(i) to (b)(vi) (inclusive) above) if the Subscription Rights were exercisable on the date on which the Company shall become aware as provided in paragraph (c)(vii) below;

‘C’ = the value of the final offer for the Ordinary Shares in pence on the date on which the Company shall become aware as provided in paragraph (c)(vii) below;

‘D’ = the value of the Subscription Shares as calculated using the standard Black-Scholes pricing formula, as amended by Merton for dividend payments (*Source: Bell Journal of Economics and Management Science Volume 4 Spring 1973*), based on the value of the final offer for the Ordinary Shares in pence on the date on which the Company shall become aware as provided in paragraph (c) below, taking as the stock price volatility the volatility in the market price of an Ordinary Share on a total return basis over 365 days ending on the dealing day immediately preceding the date of the announcement of the offer (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such an offer or original offer or of the possibility of the same being made, and taking as the interest rate the Gross Redemption Yield on Treasury 5 per cent. 2014 government stock on an annual basis and using as a yield the last annual net dividend payment, in pence sterling; provided that:

- (aa) no adjustment shall be made to the Subscription Price where the value of C exceeds the aggregate value of ‘B’ and ‘D’ in the above formula;
- (bb) the Auditors shall be entitled to make such further adjustments to the Subscription Price payable on any subsequent exercise of the Subscription Rights in accordance with paragraph (c)(vi) as they shall report to be appropriate.

The notice required to be given by the Company under paragraph (c)(iii) below shall give details of any reduction in the subscription price pursuant to this paragraph(b)(viii).

- (ix) for the purpose of determining whether paragraph (c)(ix) below shall apply and accordingly whether each Subscription Shareholder is to be treated as if his Subscription Rights had been exercisable and had been exercised as therein provided, the Subscription Price which would have been payable on such exercise shall be reduced by an amount determined by the Auditors in accordance with the following formula:

$$A = (B - C) + D$$

where:

‘A’ = the reduction in the Subscription Price;

‘B’ = the Subscription Price which would, but for the provision of this paragraph (b)(ix), be applicable (subject to any adjustments previously made pursuant to paragraph (b)(i) to (b)(vi) (inclusive) above) if the Subscription Rights were exercisable immediately before the date on which the order referred to in paragraph (c)(ix) below shall be made or on which the effective resolution referred to in that paragraph shall be passed (as the case may be);

‘C’ = the amount (as determined by the Auditors) of the assets available for distribution in the liquidation of the Company in respect of each Ordinary Share, taking into account for this purpose the Ordinary Shares which would arise on exercise of all the subscription rights and the subscription price which would be payable on the exercise of such subscription rights (subject to any adjustments previously made pursuant to paragraph (b)(i) to (b)(vi) (inclusive) above but ignoring any adjustment to be made pursuant to this paragraph (b)(ix)); and

‘D’ = the value of the Subscription Shares as calculated using the standard Black-Scholes pricing formula, as amended by Merton for dividend payments (*Source: Bell Journal of Economics and Management Science Volume 4 Spring 1973*), based on the value of the final offer for the Ordinary Shares in pence on the date on which the Company shall become aware as provided in paragraph (c)(viii) below, taking as the stock price volatility the volatility in the market price of an Ordinary Share on a total return basis over 365 days ending on the last dealing day immediately preceding the date of the presentation of the petition for such order or of the notice convening the meeting at which such resolution shall be passed (as the case may be) or, if applicable and earlier, the date of the first announcement of the presentation of such petition or the convening of such meeting (as the case may be) or that the same is proposed,

and taking as the interest rate the Gross Redemption Yield on Treasury 5 per cent. 2014 government stock on an annual basis and using as a yield the last annual net dividend payment, in pence sterling;

provided that no adjustment shall be made to the Subscription Price where the value of 'C' exceeds the aggregate value of 'B' and 'D' in the above formula.

- (x) where an event which gives or may give rise to an adjustment to the Subscription Price occurs whether in such proximity in time to another such event or otherwise in circumstances such that the Company in its absolute discretion determines that the foregoing provisions need to be operated subject to some modification in order to give a result which is fair and reasonable in all the circumstances such modification shall be made in the operation of the foregoing provisions as may be advised by the Auditors to be in their opinion appropriate in order to give such a result.

(c) ***Protective Provisions***

So long as any Subscription Rights remain exercisable:

- (i) the Company shall not (except with the sanction of an extraordinary resolution of the Subscription Shareholders):
 - (A) make any distribution of capital profits or capital reserves except by means of a capitalisation issue in the form of fully paid Ordinary Shares;
 - (B) issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares; or
 - (C) on or by reference to a record date falling within the period of six weeks ending on the final subscription date, make any such allotment as is referred to in paragraph (b)(iii) or any such offer or invitation as is referred to in paragraph (b)(iii) (except by extending to the Subscription Shareholders any such offer or invitation as may be made by a third party);
- (ii) the Company shall not (except with the sanction of an extraordinary resolution of the Subscription Shareholders) in any way modify the rights attached to its existing Ordinary Shares as a class, or create or issue any new class of equity share capital except for shares which carry, as compared with the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividend or return of capital, provided that nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital;
- (iii) the Company shall not (except with the sanction of an extraordinary resolution of the Subscription Shareholders or for a reduction not involving any payment to Shareholders) reduce any of its share capital or any uncalled or unpaid liability in respect of any of its share capital or (except as permitted by the law) reduce any share premium account or capital redemption reserve;
- (iv) the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all subscription rights remaining exercisable;
- (v) the Company shall not (except with the sanction of an extraordinary resolution of the Subscription Shareholders) grant (or offer or agree to grant) any option in respect of, or create any rights of subscription for, or issue any loan capital carrying rights of conversion into, Ordinary Shares if the price at which any such option or right is exercisable is lower than the Subscription Price for the time being;
- (vi) subject as provided in paragraph (c)(viii) below, if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled

by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware on or before the Final Subscription Date that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offer or and/or such companies or persons as aforesaid, the Company shall give notice to the Subscription Shareholders of such vesting or pending vesting within 14 days of its becoming so aware, and each such Subscription Shareholder shall be entitled, at any time within the period of thirty (30) days immediately following the date of such notice, to exercise his subscription rights on the terms on which the same could have been exercised if they had been exercisable and had been exercised on the date on which the Company shall become aware as aforesaid. The publication of a scheme of arrangement under the law providing for the acquisition by any person of the whole or any part of the issued Ordinary Share capital of the Company shall be deemed to be the making of an offer for the purposes of paragraph (c)(vii) and reference herein to such an offer shall be read and construed accordingly;

- (vii) if under any offer as referred to in paragraph (c)(vi) above the consideration shall consist solely of the issue of ordinary shares of the offeror and the offeror shall make available an offer of warrants or other rights to subscribe for ordinary shares in the offeror in exchange for the Subscription Shares, which offer the financial advisers to the Company (acting as experts and not as arbitrators) shall consider to be fair and reasonable (having regard to the terms of the offer, the tax treatment of such warranty or other rights to subscribe or compared with that of the Subscription Shares and any other circumstances which may appear to such financial advisers to be relevant), then a Subscription Shareholder shall not have the right to exercise his Subscription Rights on the basis referred to in paragraph (c)(vi) above and, subject to the offer as referred to in paragraph (c)(vi) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued Ordinary Share capital of the Company not already owned by it or its associates, any Director of the Company shall be irrevocably authorised as attorney for the Subscription Shareholders who have not accepted the offer of warrants or other rights to subscribe for ordinary shares in the offeror in exchange for the Subscription Shares:
 - (A) to execute a transfer of the Subscription Shares held by such holders in favour of the offeror, in consideration of the issue of warrants or other rights to subscribe for ordinary shares in the offeror as aforesaid whereupon all the subscription rights shall lapse and all outstanding Subscription Shares shall be converted into Special Deferred Shares which shall have the same rights and shall be treated as if they had been created under paragraph (a) above; and
 - (B) to do such acts and things as may be necessary or appropriate in connection therewith;
- (viii) if an order is made or an effective resolution is passed for winding-up the Company (except for the purpose of reconstruction, amalgamation or unitization on terms sanctioned by an extraordinary resolution of Subscription Shareholders) each Subscription Shareholder shall, in such winding-up and on the basis that all Subscription Rights then unexercised had been exercised in full by the Company there shall be a surplus available for distribution amongst the holders of the Ordinary Shares, including for this purpose the Ordinary Shares which would arise on exercise of all Subscription Rights (taking into account any adjustments pursuant to paragraph (b)(i) to (b)(vi) (inclusive) and paragraph (b)(ix) above), which surplus would, on such basis, exceed in respect of each Ordinary Shares a sum equal to such Subscription Price) be treated as if immediately before the date of such order or resolution (as the case may be) his Subscription Rights had been exercisable and had been exercised in full on the terms (subject to any adjustments pursuant to paragraph (b)(i) to (b)(vi) and paragraph (b)(ix) above) on which the same could have been exercised if they had been exercisable and had been exercised immediately before the date of such order or resolution, (as the case may be), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with

the holders of the Ordinary Shares such a sum as he would have received had he been the holder of the Ordinary Shares to which he would have become entitled by virtue of such subscription after deducting a sum per Ordinary Share equal to the Subscription Price (subject to any adjustments pursuant to paragraph (b)(i) to (b)(vi) (inclusive) and paragraph (b)(ix) above). Subject to the foregoing, all Subscription Rights shall lapse on liquidation of the Company; and

- (ix) if at any time an offer or invitation is made by the Company to the holders of its Ordinary Shares generally for purchase by the Company of any of its Ordinary Shares, the Company shall simultaneously give notice thereof to the Subscription Shareholders and each Subscription Shareholder shall be entitled, at any time whilst such offer or invitation remains open for acceptance, to exercise his subscription rights on the terms (subject to any adjustments made under paragraph (b)(i) to (b)(vi) (inclusive) above) on which the same could have been exercised if they had been exercisable and had been exercised on the day twenty one (21) immediately preceding the record date for such offer or invitation and any Ordinary Shares arising on exercise of the Subscription Rights shall be included in the offer or invitation on the same terms and conditions as if the Ordinary Shares arising on the exercise of Subscription Rights had been in issue on the record date for such offer or invitation.

(d) ***Other Rights***

(i) *Income*

The Subscription Shareholders shall not be entitled to any right of participation in the profits of the Company.

(ii) *Capital*

- (A) No distribution shall be due in respect of a Subscription Share if the amount of such distribution would be less than the Subscription Price.
- (B) The amount to be distributed in respect of each Subscription Share shall be calculated by dividing the total surplus available for distribution to members pursuant to Article 36 of the Articles by the number of Shares (of all classes carrying an entitlement to participate in the proceeds of a winding up) and subtracting from the result, an amount equal to the Subscription Price.
- (C) The provisions of this paragraph (d)(ii) are without prejudice to the other provisions of the Articles as to conversion, redemption and purchase of shares or (in the case of a purchase of shares) to any resolution authorising the same in accordance with the Companies Law.

(iii) *Voting and General Meetings*

- (A) The Subscription Shareholders shall, by virtue of or in respect of their holdings of Subscription Shares, have the right to receive notice of a general meeting of the Company and to attend, speak and vote at a general meeting of the Company only if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the Subscription Shareholders and then only on such resolution. Save as aforesaid, whether or not the Subscription Rights shall have expired, the Subscription Shares shall not confer on the holders thereof the right to attend, speak or vote at any general meeting of the Company and references in the Articles to “**members**”, “**shareholders**” and “**holders**”, in relation to receiving notice of, attending or voting at general meetings of the Company shall be construed accordingly, but they shall entitle the holders to receive copies of notices of general meetings for information only and of the annual consolidated audited accounts of the Company and its subsidiaries as if they were holders of Ordinary Shares.

- (B) Whenever the Subscription Shareholders are entitled to vote at a general meeting of the Company upon any resolution proposed at such a general meeting, on a show of hands every holder thereof who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder thereof who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each Ordinary Share for which he is entitled to subscribe pursuant to the Subscription Rights.

(e) **Purchase**

The Company and its subsidiaries shall have the right to purchase Subscription Shares in the market, by tender or by private treaty but:

- (i) such purchases will be limited to a maximum price per Subscription Share which, in the case of purchases through the market, will not exceed 5 per cent. above the average of the closing middle market quotations (as derived from Bloomberg) for the five (5) consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and
- (ii) if such purchases are by tender, such tender will be available to all Subscription Shareholders alike.

All Subscription Shares so purchased shall forthwith be cancelled and shall not be available for re-issue or resale.

(f) **Transfer**

Subject always to Article 13 (*Transfer and Transmission of Shares*) of the Articles, each Subscription Share will be registered and will be transferable:

- (i) in the case of Certificated Subscription Shares, by instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors; and
- (ii) in the case of Uncertificated Subscription Shares, by giving the appropriate instructions for transfer by means of the Relevant Electronic System.

No transfer of a right to subscribe for a fraction of an Ordinary Share shall be effected.

(g) **General**

- (i) The Company will, concurrently with the issue of the same to the holders of the Ordinary Shares, send to each Subscription Shareholder (or, in the case of joint holders, to the first-named) a copy of each published annual report and accounts of the Company (or such abbreviated or summary financial statement sent to Ordinary Shareholders in lieu thereof), together with all documents required by law to be annexed thereto, and a copy of every other statement notice or circular issued by the Company to holders of Ordinary Shares.
- (ii) For the purpose of these conditions, “**extraordinary resolution of the Subscription Shareholders**” means a resolution proposed at a meeting of the Subscription Shareholders duly convened and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll.
- (iii) Any determination or adjustment made pursuant to these terms and conditions by the Auditors shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the Subscription Shareholders.
- (iv) The invalidity of any undertaking, or any part of any undertaking, in paragraph (c) above shall not affect the validity of any other part of that paragraph. If any event occurs which, but for any rule of law, would be a breach of paragraph (c) above, the Company shall pay to the Subscription Shareholders such sum as the Auditors of the Company shall determine to be equal to the loss in value of the Subscription Shares resulting from such event.

PART VI

RISK FACTORS

Investors are referred to the risks set out below. No assurance can be given that Shareholders will realise a profit or will avoid a loss on their investment. The Ordinary Shares and Subscription Shares are suitable only for investors who understand, or who have been advised of, the potential risk of capital loss from an investment in the Ordinary Shares and Subscription Shares and that there may be limited liquidity in both the Ordinary Shares and Subscription Shares and some of the underlying investments of the Company, and for whom the investment in the Ordinary Shares and the Subscription Shares is part of a diversified investment portfolio and who fully understand the risks involved with such an investment. The risks referred to below do not purport to be exhaustive and potential investors should review this Listing Document carefully and in its entirety and consult with their professional advisers before making an application for Ordinary Shares and Subscription Shares. The risks below are not set out in any particular order of priority.

RISKS RELATING TO THE BUSINESS

Operating History

There is no guarantee that the Company will perform in the same way as it has performed previously and its past performance should not be taken to be an indication of the potential performance of the Company. Past performance is not necessarily indicative of future results. The results of the Company's operations will depend on many factors including the availability of acquisition opportunities and conditions in the financial markets and general economic conditions.

Dependence upon the Investment Manager

The operations of the Company are substantially dependent upon the skill, judgment and expertise of the Investment Manager and its principals, responsible on a day-to-day basis for investment of the Company's assets.

Although the Company will monitor the performance of the Investment Manager and the underlying investments, it will rely substantially on the accuracy of the information provided by the Investment Manager. If the Investment Manager does not operate in accordance with the Company's investment strategy or guidelines or if the information furnished by the Investment Manager is not accurate, the Company might sustain losses with respect to its investments managed by the Investment Manager. The success of the Company's investment activities will depend on the Investment Manager's ability to identify investment opportunities as well as to assess the import of news and events that may affect the financial markets.

Prospective investments

There can be no guarantee that the Company and the Investment Manager will be able to identify suitable investments, nor that these will be available in the future in which to invest. The Company may not therefore be fully invested at all times. No guarantee or representation is made that the Company or the Investment Manager will be successful. There is a risk that an investment in the Company will be lost entirely or in part. All investments in the Company and by the Company risk the loss of capital.

Investment strategies

There can be no assurance that the specific investment strategies utilised for the Company will produce profitable results. Profitable investment is often dependent on anticipating trends or trading patterns. Markets subject to random price fluctuations, rather than defined trends or patterns, may generate unsuccessful investments. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor which may lessen major price trends (such as governmental controls affecting the markets) may reduce the prospect for future investment profitability. Any factor which would make it difficult to enter into transactions, such as reduced liquidity or extreme market developments resulting in limit moves, could also be detrimental to profits. No assurance can be

given that the techniques and strategies of the Investment Manager or any other portfolio manager engaged by the Investment Manager will be profitable in the future.

New strategies

While the Investment Manager might develop new investment strategies in the future, any such strategies may not be thoroughly tested before being employed and may not, in any event, be successful. Were the Investment Manager to attempt to implement new strategies, the risk/reward profile of the Company could be shifted significantly towards increased levels of risk. The Company can only be successful if the Investment Manager is able to trade and invest successfully, and there can be no assurance that this will be the case.

Illiquidity in certain markets

The Company may invest in illiquid or restricted securities for which there is no established resale market, including non-publicly traded securities. The Company might only be able to liquidate these positions at disadvantageous prices, should the Investment Manager determine, or it become necessary, to do so. Illiquidity in certain markets could make it difficult for the Company to liquidate positions on favourable terms, thereby resulting in losses or a decrease in the Net Asset Value of the Company. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Investing in securities in companies which are associated with exploring, mining or producing precious metals

The performance of the Company will be affected by the performance of the securities of the companies in which the Company invests (“**investee companies**”), which will in turn be affected by the performance of those companies themselves. The exploration, development and production of metal and mineral deposits involves significant uncertainties and the investee companies will be subject to all of the hazards and risks normally encountered in such activities. Many of these are difficult to predict and are often affected by factors outside the control of the investee company. They include, amongst others, issues relating to the environment, the climate, the geopolitical environment, local and international regulatory requirements, licensing terms, planning permission, unexpected geological formations, rock falls, flooding, pollution, legal liabilities, the availability and reliability of plant and equipment, the scaling-up of operations, the reliance on key individuals, local finance and tax regimes, foreign currency repatriation, capital and budget constraints, contractors and suppliers, local employment regulations and practices, employment unions and the availability of suitable labour. In addition, there is often no guarantee that the estimates of quantities and grades of metals and minerals disclosed by investee companies will be available for extraction.

Investee companies

Investee companies may be established or operate in jurisdictions where legal, administrative or tax uncertainties, ambiguities, inconsistencies and anomalies might arise which would not necessarily exist in the UK. In particular, difficulties might arise in seeking to obtain redress through the courts in the relevant overseas jurisdictions.

Currency Risks

The Shares are denominated in pounds sterling. Certain of the assets of the Company may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

Gearing

The Company has in place a prime broking facility with Credit Suisse Securities (Europe) Limited, under which the Company may (in the sole discretion of Credit Suisse Securities (Europe) Limited) apply financial gearing, but which, if utilised, the Company would in any event limit to a maximum 20 per cent. of Net Asset Value at the time of drawdown from time to time, that is seeking to enhance returns to shareholders by borrowing funds for investment. Where an investment company is geared, its net asset value and price

performance would be expected to represent an amplification of any upward or downward movement in the investment company's portfolio as a result of price changes of the investments contained therein.

Commissions and Expenses

The Company is obliged to pay brokerage commissions and related transaction fees and costs, which can be substantial, regardless of whether its investment activities are profitable. The Company must also pay fees and operating and administrative expenses. It will be necessary for the Company to achieve gains in excess of these aggregate fees and costs in order for Shareholders to realise an increase in the Net Asset Value of their Shares. There can be no assurance that the Company will be able to achieve such, or any, appreciation of its assets.

Other Clients of the Investment Manager and its Affiliates

The Investment Manager, its affiliates and their principals manage other accounts and other collective investment vehicles. These accounts may employ different or similar investment strategies, and could increase the level of competition for the same trades or positions that the Company might otherwise make, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position of a particular security at a satisfactory price. Moreover, in such situations, the Company may not be able to engage in as large a portion of a transaction as it otherwise would. The Investment Manager and its affiliates may employ investment methods, policies and strategies for their clients that differ, from those under which the Company operates. Therefore, the results of the Company's investment may differ from those of other accounts managed by the Investment Manager and its affiliates. Moreover, certain of the Investment Manager's principals also may invest for their own accounts.

Profit Sharing

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value of the Company and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. The performance fee may create an incentive for the Investment Manager to make investments for the Company which are riskier than would be the case in the absence of a fee based on the management of the Company.

Dividend payments

The level of dividends, if any, paid on the Ordinary Shares is not guaranteed and may fluctuate. The ability of the Company to pay dividends may depend on the level of dividends it receives itself in respect of its investments. The income derived from Ordinary Shares (if any) can go down as well as up. If under Guernsey law there were to be a change to the basis on which dividends could be paid by Guernsey companies, or if there are changes to accounting standards or to the interpretation of accounting standards, this could have an adverse effect on the Company's ability to pay dividends.

Net Asset Value Considerations

The net asset value per share of the Company is expected to fluctuate over time with the performance of the Company's investments. A Shareholder may not fully recover his initial investment when he chooses to sell his shares if the net asset value per share of the relevant class of shares at the time of such redemption is less than the subscription price paid by that Shareholder.

Swap Agreements

The Company may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Company's exposure to long-term or short-term interest rates (in the United States or abroad), foreign currency values, mortgage securities, corporate borrowing rates, or other factors such as security prices, baskets of equity securities, or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Company is not limited to any particular form of swap agreement if the Investment Manager determines it is consistent with the Company's investment objective, approach and strategies.

Swap agreements tend to shift the Company's investment exposure from one type of investment to another. For example, if the Company agrees to exchange payments in US Dollars for payments in another foreign currency, the swap agreement would tend to change the Company's exposure to US interest rates and its exposure to the foreign currency and its interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Company's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Company. If a swap agreement calls for payments by the Company, the Company must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Company.

Hedging Transactions

The Company may utilise financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of its investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Company's unrealised gains in the value of its investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Company's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Company's liabilities or assets; (vi) protect against any increase in the price of any securities the Company anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate.

The success of the Company's hedging strategy will depend, in part, upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Company's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Company may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Company than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Company from achieving the intended hedge or expose the Company to risk of loss. The Investment Manager might not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complementary to those needed in the selection of the Company's portfolio holdings.

RISKS RELATING TO THE ORDINARY SHARES

The Company is an investment company. Investment companies aim to generate returns for shareholders by investing in other companies. As an investment company may invest in a range of different companies, sectors and geographic regions, it may represent a method for investors to gain a diversified investment exposure. However, Shareholders should be aware of certain factors which apply to the Company and to investment companies generally.

Discounts

The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount or premium to the net asset value per Ordinary Share. This discount or premium is itself variable as conditions for supply and demand for the Company's Ordinary Shares change. This can mean that the Ordinary Share price can fall when the net asset value per share rises, or *vice versa*.

Liquidity

Shareholders have no right to have their Ordinary Shares or Subscription Shares repurchased by the Company at any time and therefore Shareholders wishing to realise their investment in the Company will be required to dispose of their Ordinary Shares or Subscription Shares on the stock market.

Whilst the Directors retain the right to effect repurchases of Ordinary Shares and/or Subscription Shares in the manner described in this document, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors so to act.

Market liquidity in the shares of investment companies is frequently inferior to the market liquidity in shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the Ordinary Shares will be maintained or will exist for the Subscription Shares.

Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing Net Asset Value per Ordinary Share) or their Subscription Shares at the quoted market price or, in either case, at all.

Interest rates

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate cash borrowings (if any).

Calculation of net asset value

In calculating the Company's weekly unaudited Net Asset Value, the Investment Manager, acting on behalf of the Company, may rely on estimates of the values of companies or their securities in which the Company invests. Such estimates may be unaudited or may be subject to little verification or other due diligence and may not comply with UK Generally Accepted Accounting Principles, International Financial Reporting Standards or other valuation principles.

Dividends and income

The Company is managed to produce capital growth and not to produce any particular level of dividend. The Company may only pay dividends to the extent that it has profits available for that purpose and under the Articles, the Company may not pay a dividend out of its capital reserves.

Dilution

The allotment of the Subscription Shares will mean that the equivalent of approximately 33.33 per cent. of the Company's issued ordinary share capital is under option immediately following the Bonus Issue. On each occasion the Subscription Rights are exercised, this will dilute the ordinary shareholdings and hence the voting rights of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Rights attaching to their Subscription Shares or who have sold their Subscription Shares. However, if an Ordinary Shareholder continues to hold the Subscription Shares issued to him pursuant to the Bonus Issue and exercises his Subscription Rights before they lapse, that Ordinary Shareholder's percentage interest in the ordinary share capital of the Company will not ultimately be reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue.

The extent of such dilution will depend on the number of Subscription Shares which are converted on each occasion and the difference between the Subscription Price and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Subscription Rights. The perceived risk of dilution may cause the market price of the Ordinary Shares to reflect a lesser sensitivity to increases in the Net Asset Value per Ordinary Share than might otherwise be expected.

Rights of Subscription Shares on liquidation

In the event of the winding up of the Company prior to the exercise of the Subscription Rights, holders of Subscription Shares may receive a payment out of the assets which would otherwise be available for distribution amongst the Ordinary Shareholders.

RISKS RELATING TO THE SUBSCRIPTION SHARES

Volatility

Subscription Shares represent a geared investment, so a relatively small movement in the market price of the Ordinary Shares may result in a disproportionately large movement, unfavourable or favourable, in the market price of the Subscription Shares. The market price of the Subscription Shares may therefore be volatile.

Link to Ordinary Shares

Although the prices of Subscription Shares and Ordinary Shares are linked, since they share common price factors such as Net Asset Value, the price of a Subscription Share may not move in line with that of an Ordinary Share because of other factors contributing to their respective prices; for example supply and demand, and hence are unlikely to change at the same time in the same manner. Furthermore, the price of a Subscription Share is affected by factors that do not affect the Ordinary Share price, such as the remaining duration of the Subscription Rights.

Suspension in trading

The Company will apply for the Subscription Shares to be admitted to the Official List of the CISX and to trading on the SETSxq platform of the London Stock Exchange. Both the CISX and the London Stock Exchange have the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Subscription Shares may affect the ability of Shareholders to realise their investment.

Published market price

The published market price of the Subscription Shares will typically be their mid-market price. Due to the potential difference between the mid-market price of the Subscription Shares and the price at which Subscription Shares can be sold, there is no guarantee that the realisable value of the Subscription Shares will reflect their published market price.

Position following final date for exercise of Subscription Rights

In the case of any Subscription Shares whose Subscription Rights have not been exercised on or before the final date for exercising such rights, such Subscription Shares will cease to have any value unless a trustee appointed by the Company determines that the net proceeds of sale of the Ordinary Shares that would arise on the exercise of such rights after deduction of all the costs and expenses of sale would exceed the costs of exercise of such rights.

Market value

The market value of a Subscription Share will be determined by market forces, including the NAV and market price of an Ordinary Share, and there is no guarantee that the Subscription Shares will have a significant market value.

Liquidity

Although Subscription Shares are tradable securities, market liquidity of Subscription Shares may be less than the market liquidity of Ordinary Shares.

Risk factors as for Ordinary Shares

The Subscription Shares, in so far as they give an entitlement to subscribe for Ordinary Shares, are affected by the same risk factors as are applicable to the Ordinary Shares as set out above.

TAXATION AND REGULATORY RISKS

United Kingdom Taxation

The Directors intend that the Company will continue to be managed and controlled in such a way that it should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment, the Company will not be subject to United Kingdom income tax or corporation tax on its profits other than on any United Kingdom source income.

In order to maintain its non-UK tax resident status, the Company is required to be controlled and managed outside the United Kingdom. The composition of the Board, the place of residence of the Directors and the location(s) in which the Board makes decisions will be important in determining and maintaining the tax residence status of the Company. While the Company is organised in Guernsey and a majority of the Directors are resident outside the United Kingdom, continued attention must be paid to ensure that major decisions are not made in the United Kingdom to avoid a risk that the Company may lose its non-UK tax resident status. As such, management errors could potentially lead to the Company being considered a UK tax resident, which would negatively affect its financial and operating results and returns to Shareholders.

Exchange controls and withholding tax

The Company may from time to time purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments.

Alternative Investment Fund Managers Directive

On 1 July 2011, the European Union published the AIFM Directive, in its Official Journal. The core of the AIFM Directive is due to be implemented by July 2013. The AIFM Directive seeks to regulate alternative investment fund managers ("AIFM") based in the EU and prohibits such managers from managing any alternative investment fund ("AIF") or marketing shares in such funds to EU investors unless authorisation is granted to the AIFM. In order to obtain such authorisation, and be able to manage the AIF, an AIFM will need to comply with various obligations in relation to the AIF, which may create significant additional compliance costs that may be passed to investors in the AIF. Furthermore, the marketing of shares or units in an AIF to EU investors will not be permitted if the AIFM is not authorised and, in the case of an AIF (such as the Company) domiciled outside the EU, the AIF's host country do not meet certain conditions (although the AIFM Directive envisages that the restrictions on marketing the shares or units of an AIF domiciled in a non-EU state will not come into force until three years after implementation of the AIFM Directive, during which period it is likely, although not guaranteed, that AIFM will be able to market the shares of third country AIF under existing domestic private placement rules).

From the Company's perspective, the AIFM Directive will require the Investment Manager to seek authorisation to manage the Company and/or for the country of domicile of the Investment Manager to meet certain requirements. If the Investment Manager were to fail to, or be unable to, obtain such authorisation or if their country of domicile were not to meet such requirements, they may be unable to continue to manage the Company or their ability to manage the Company may be impaired.

Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that impair the ability of the Investment Manager to manage the investments of the Company, or limit the Company's ability to market future issuances of its Shares, may materially adversely affect the Company's ability to carry out its investment strategy and achieve its investment objective.

General taxation risks

Representations in this document concerning the taxation of Shareholders and the Company are based on current law and practice. These are, in principle, subject to change and Shareholders should be aware that such changes may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders.

Any change in the Company's tax status, or in taxation legislation or the taxation regime, or in the interpretation or application of taxation legislation applicable to the Company or the companies comprised in the portfolio, could affect the value of the investments held by the Company, the Company's ability to achieve its stated investment objective, the Company's ability to provide returns to Shareholders and/or alter the post tax return to Shareholders.

If you are in any doubt as to your tax position you should consult an appropriate independent professional adviser.

GENERAL RISKS

CISX Listing and SETSqx Trading

On 29 September 2009, the trading facility in its ordinary shares was transferred from the International Bulletin Board of the London Stock Exchange to SETSqx (the Stock Exchange Electronic Trading Service – quotes and crosses) trading platform. SETSqx is an electronic trading platform, so that securities admitted to trading on SETSqx can either be traded through market makers or traded electronically. Shareholders should therefore be aware that not all London Stock Exchange member firms operate on SETSqx so that there may be no market makers in the Company's Shares if they are admitted to trading on SETSqx – and if there are no market makers, the Shares will have to trade electronically, such that a London Stock Exchange member firm will have to make an order on behalf of a Shareholder and wait for it to match electronically. The Company and the Investment Manager will seek to ensure that there are market makers making price quotations in the Company's Shares.

Volatility of share price

Investors should be aware that the share price of the Company, as for any publicly quoted company, may be volatile and go down as well as up.

General market risk

The Company and any of its investments may be affected by general market and economic trends which are unrelated to the performance of the Company itself. As at the date of this document, global markets remain volatile and there remain concerns about the strength, or otherwise, of the global economic recovery.

Investment suitable for sophisticated investors only

The investment described in this document may not be suitable for all those who receive this document. As a Guernsey-incorporated investment company, the Shares may only be marketed to, and are only suitable as an investment for, sophisticated investors with an understanding of the risks inherent in investing in the commodities sector and an ability to accept potentially the total loss of all capital invested. Before making a final decision, investors in any doubt are recommended to consult an independent financial adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

PART VII

TAXATION

Shareholders and prospective investment should consult their own professional advisers on the tax consequences of acquiring, holding, redeeming, disposing of, converting or transferring interests in the Company, which will depend upon their particular circumstances, including amongst other things their country of citizenship, residence, ordinary residence or domicile.

1. Guernsey

The information below, which relates only to Guernsey taxation, is given for information purposes only and does not constitute legal or tax advice. It is applicable to the Company and to persons who hold interests in the Company as an investment. It is based on current Guernsey revenue law and published practice, which law or practice is, in principle, subject to any subsequent changes.

1.1 *The Company*

The Company has been granted exempt status for Guernsey income tax purposes under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 as amended (the “**Ordinance**”). Under the provisions of the Ordinance, exemption is granted by the States of Guernsey Treasury and Resources Department on an annual basis provided that the Company continues to comply with the requirements of the Ordinance and upon payment of an annual fee (which is currently fixed at £600). Application will be made each year for exemption and it is the intention of the Directors to conduct the affairs of the Company as to ensure that the Company retains such exempt tax status.

An exempt tax status has been granted, the Company is treated as not being resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice, therefore, the Company will only be liable for tax in Guernsey in respect of income arising in Guernsey (excluding Guernsey bank deposit interest).

In response to the review conducted by the European Union Code of Conduct Group, the States of Guernsey carried out a reform of Guernsey’s corporate tax regime with effect from 1 January 2008 and introduced a standard rate of tax of 0 per cent. for companies carrying on all but a few specified types of regulated business or generating income from Guernsey land and property. The Company does not intend to carry out any activities that would give rise to a Guernsey income tax liability.

Notwithstanding the above changes, open-ended and closed-ended collective investment schemes, such as the Company, may, and the Company intends to, continue to apply for exempt tax status. Dividends, distributions and interest paid to non-residents of Guernsey by such schemes with exempt tax status are regarded as having their source outside of Guernsey and are not subject to Guernsey income tax and, therefore, are made without deductions.

Guernsey does not levy taxes upon capital inheritances, capital gains, gifts, sales, or turnover, nor are there any estate duties (save for an *ad valorem* fee for the grant of probate or letters of administration).

No stamp duty is chargeable in Guernsey on the issue, conversion or transfer of shares.

1.2 *Shareholders*

Guernsey does not levy capital gains tax and, therefore, neither the Company nor its shareholders will suffer any tax in Guernsey on capital gains.

Shareholders resident for income tax purposes in Guernsey are liable to income tax on the amount of the dividends or income distributions received (including deemed distributions). The Company will not make any deduction of tax from any dividend or income distribution payable to any such taxpayer, however, such taxpayer will be liable to income tax at the standard rate of 20 per cent. The Company is required to make a return to the Director of Income Tax of the names, addresses and gross amounts

of dividends and income distributions paid by the Company to its Guernsey resident shareholders, and may also be required to disclose the name and address of any Guernsey resident who holds, or held, any beneficial interest in the Company (together with details of the nature and extent of that beneficial interest).

No deduction will be made from any dividend or distribution payable to any shareholder of the Company not resident for income tax purposes in Guernsey. Such dividends or distributions may be paid and received free of Guernsey income tax.

1.3 ***European Union Directive on the Taxation of Savings Income***

Guernsey is not subject to the EU Directive on the Taxation of Savings Income (Director 2003/48/EC) (the “**EU Savings Tax Directive**”). However, the States of Guernsey have introduced a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU member state by a paying agent located in Guernsey.

Such an individual beneficial owner resident in an EU member state will be entitled to request a paying agent not to retain tax from such payments but instead apply a system by which the details of such payments are communicated to the tax authorities of the EU member state in which the beneficial owner is resident.

In order to give effect to these measures, Guernsey has entered into bilateral agreements with the 27 EU member states and implemented domestic legislation that is equivalent to the EU Savings Tax Directive. The agreements and equivalent domestic legislation will only apply to interest payments when these payments are made to individual EU residents by a paying agent located in Guernsey.

Under the provisions of the bilateral agreements and equivalent domestic legislation, interest payments may include, *inter alia*, distributions from and the proceeds of shares or units in certain collective investment schemes.

These provisions will only apply to schemes which are equivalent to an undertaking for collective investment in transferable securities authorised in accordance with EC Directive 85/611/EEC (an “**UCITS**”).

Accordingly, guidance notes (issued on behalf of the States of Guernsey) on the implementation of the agreements and equivalent domestic legislation indicate that the Company is not equivalent to an UCITS and is therefore outside of the scope of the bilateral agreements, with the consequence that any paying agent located in Guernsey will not be required by Guernsey’s domestic legislation to retain tax or disclose information in respect of payments by or on behalf of the Company to EU resident shareholders under the above mentioned measures.

2. **United Kingdom**

The information set out below, which relates only to United Kingdom taxation, is given as a general guide. It is applicable only to the Company and to persons who hold shares in the Company as an investment. Special rules will apply to certain classes of investor (e.g. life companies). It is based on current United Kingdom taxation law and published practice, which in each case may be subject to change.

The Company

The Company intends to conduct its affairs so that, for United Kingdom corporation tax purposes, it will be regarded as neither resident within the United Kingdom nor as carrying on a trade through a permanent establishment located in the United Kingdom. On that basis and on the assumption that it has no United Kingdom source income the Company will have no liability in respect of United Kingdom corporation tax on its income or capital gains.

United Kingdom Resident Investors

Shareholders who are resident in the United Kingdom may be liable to United Kingdom income tax or corporation tax in respect of dividend income received from the Company and to United Kingdom capital gains tax or corporation tax on chargeable gains in respect of capital gains realised on a disposal or part disposal of Ordinary Shares or Subscription Shares.

(a) *Taxation of dividends*

A distribution by the Company in the form of a dividend may give rise to income chargeable in the United Kingdom to either income tax or corporation tax on income.

In the case of a dividend, individuals resident, ordinarily resident and domiciled for tax purposes in the United Kingdom who are liable to income tax at the basic rate will be taxed at the ordinary rate (currently 10 per cent.) under chapter 4 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 (the “**Income Tax Act**”). An individual who has exceeded the basic rate limit but does not exceed the higher rate limit will be taxed at the dividend upper rate (currently 32.5 per cent.) under chapter 4 of Part 4 of the Income Tax Act. An individual who exceeds the higher rate limit will be taxed at the dividend additional rate (currently 42.5 per cent.). Certain shareholders may be entitled to a tax credit in respect of distributions from the Company equal to one ninth of the amount or value of the ‘grossed up distribution’ (i.e the distribution together with any foreign tax attributable to it). Any such tax credit is not repayable, but may be deducted from income tax charged on total income for the year in which the distribution is made. Non-taxpayers will have no liability to income tax.

Individuals who are taxed on the remittance basis may be subject to United Kingdom income tax in respect of distributions, to the extent any distribution is ‘remitted’ to the United Kingdom for United Kingdom tax purposes.

United Kingdom resident corporate Shareholders may be liable for corporation tax on any dividends paid by the Company subject to any exemptions which apply.

(b) *Taxation of capital gains*

The receipt of the Subscription Shares arising from the Bonus Issue should be a re-organisation of the share capital of the Company for the purposes of United Kingdom capital gains tax and corporation tax on chargeable gains. Accordingly, the Subscription Shares should be treated as the same asset as the Shareholder’s holding of Ordinary Shares and as having been acquired at the same time as the Shareholder’s holding of Ordinary Shares was acquired. As a result, the Shareholder’s original base cost in his or her Ordinary Shares should be apportioned between the Ordinary Shares and the Subscription Shares by reference to their respective market values on the day on which the Subscription Shares are admitted to the Official List of the CISX and to trading on the SETSqx platform of the London Stock Exchange.

On the exercise of the right to convert any Subscription Shares into Ordinary Shares, the Ordinary Shares issued pursuant to the Subscription Rights should be treated as the same asset as the Subscription Shares in respect of which the Subscription Rights are exercised. The base cost of each such Ordinary Share should be the deemed base cost of the Subscription Shares that it replaces, plus the Subscription Price.

Subject to the offshore fund rules, any gain realised by a United Kingdom resident, or ordinarily resident shareholder or a shareholder who carries on a trade in the United Kingdom through a permanent establishment with which their investment in the Company is connected on a sale or other disposal (including from liquidation or dissolution of the Company) of their Ordinary Shares or Subscription Shares may, depending on their circumstances and subject as mentioned below, be subject to United Kingdom capital gains tax or corporation tax on chargeable gains, subject to any relief. The amount of any gain should, in the first instance, be the difference between any allowable expenditure (including the acquisition cost or deemed acquisition cost of the Ordinary Shares or Subscription Shares) and the disposal proceeds.

An investor which is a body corporate resident in the United Kingdom for tax purposes or subject to corporation tax in respect of its shares should benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the Retail Prices Index. Individuals who are taxed on the remittance basis may be subject to United Kingdom capital gains tax in respect of a disposal or part disposal of their Ordinary Shares or Subscription Shares to the extent that any such gain is ‘remitted’ to the United Kingdom for United Kingdom tax purposes.

Special rules may apply to identify a disposal of shares with an acquisition of shares or to determine the proportion of allowable expenditure where only part of a holding is disposed of.

To the extent the offshore fund rules were to apply, investors could be subject to income tax or corporation tax on income on a disposal or part disposal of their Ordinary Shares or Subscription Shares. As the Company is closed-ended and does not have a limited life, it is not expected that it will constitute a mutual fund for the purposes of the offshore fund rules.

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No United Kingdom stamp duty or SDRT will arise on the issue of Ordinary Shares or Subscription Shares. Generally, no United Kingdom stamp duty or SDRT should be payable on a transfer of or agreement to transfer Ordinary Shares or Subscription Shares.

Transfer of Assets Abroad

Individual investors ordinarily resident in the United Kingdom for tax purposes should note that Chapter II (Sections 714 to 751) of Part 13 of the Income Tax Act 2007 may render them liable to income tax in respect of undistributed income or profits of the Company. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad. However, these provisions will not apply if the investor can satisfy HM Revenue and Customs that either:

- (1) the purpose of avoiding liability to United Kingdom taxation was not the purpose or one of the purposes of his investment in the Company; or
- (2) the investment was a *genuine* commercial transaction and was not designed for the purpose of avoiding United Kingdom taxation.

Controlled Foreign Companies Legislation

The attention of companies resident in the United Kingdom is drawn to the fact that the ‘controlled foreign companies’ provisions contained in Sections 747 to 756 of the UK Taxes Act could be relevant to any company so resident that has an interest in the Company such that 25 per cent., or more of the Company’s profits for an accounting period could be apportioned to it, if at the same time the Company is controlled or treated as controlled by companies or other persons who are resident in the United Kingdom for taxation purposes for the purposes of the Controlled Foreign Companies rules. The effect of such provisions could be to render such companies liable to United Kingdom corporation tax in respect of their share of the undistributed profits of the Company.

Section 13 Taxation of Chargeable Gains Act 1992 (“TCGA”)

The attention of United Kingdom investors resident or ordinarily resident and, if an individual, domiciled in the United Kingdom is drawn to the provisions of Section 13 TCGA. Under this provision, in certain circumstances, a portion of capital gains made by the Company can be attributed to an investor who holds, alone or together with associated persons, more than 10 per cent., of the Ordinary Shares. The capital gains attributed to the investor may (in certain circumstances) be liable to United Kingdom tax on capital gains or corporation tax on chargeable gains in the hands of the investor.

ISAs

The Subscription Shares and the Ordinary Shares arising on the exercise of the Subscription Rights should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£10,680 for the 2011–2012 tax year). Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Subscription Shares or Ordinary Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. The Subscription Price paid upon any exercise of the Subscription Rights would contribute towards the annual subscription limit in the year in which the Subscription Right was exercised, unless the Subscription Price were paid out of cash already within the Shareholder's stocks and shares ISA, or with cash subscribed in the same tax year to a cash ISA held by the Shareholder and transferred to the Shareholder's stocks and shares ISA. Sums received by a Shareholder on a disposal of Subscription Shares or Ordinary Shares would not count towards the Shareholder's annual limit; but a disposal of Subscription Shares or Ordinary Shares held in an ISA will not result in any part of the annual subscription limit that has already been used by the Shareholder in that tax year becoming available again. Individuals wishing to invest in Subscription Shares through an ISA should contact their professional advisers regarding their eligibility.

Self-Invested Personal Pensions (SIPPs)

The Ordinary Shares and Subscription Shares in the Company will constitute permitted investments for SIPPs.

3. Other Jurisdictions

Prospective purchasers of Ordinary Shares should consult their own professional tax advisers as to the tax consequences of the purchase, ownership and disposition of Ordinary Shares and Subscription Shares.

Any person who is in any doubt as to his tax position or requires more detailed information than the general outline above should consult his professional adviser.

PART VIII

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company's registered number is 45676 as a company limited by shares under the Companies Law. The Company has been incorporated with an unlimited life. The Company operates under the Companies Law and ordinances and regulations thereunder and has no employees. The liability of Shareholders is limited.
- 1.2 The Company is an authorised closed-ended investment scheme regulated in Guernsey by the Guernsey Financial Services Commission. The Company is not regulated in the UK.
- 1.3 As a company whose shares are admitted to the Official List of the CISX, the Company is subject to the CISX Listing Rules and as a company whose shares are admitted to trading on SETSqx, the Company is subject to the 'Admission and Disclosure Standards' published by the London Stock Exchange.
- 1.4 The registered office of the Company is at 11 New Street, St. Peter Port, Guernsey GY1 2PF and the telephone number of the registered office is +44 (0) 1481 726034.
- 1.5 The issue of the Ordinary Shares upon conversion of all of the Subscription Shares offered will dilute the holding of the Shareholders (including placees of the Placing Shares) by approximately 33.33 per cent.

2. Share capital

- 2.1 The authorised and issued share capital of the Company (i) at the date of this document and, (ii) following completion of the Placing (assuming the maximum number of Placing Shares are issued pursuant to the Placing); and (iii) following the Bonus Issue of the Subscription Shares (assuming the maximum number of Placing Shares are issued pursuant to the Placing) is set out below:

	<i>Authorised</i>		<i>Ordinary Shares issued and fully paid</i>		<i>Number of Subscription Shares issued and fully paid</i>
	<i>£</i>	<i>Number</i>	<i>£</i>	<i>Number</i>	
(i)	200,000	200,000,000	40,370.00	40,370,000	–
(ii)	200,000	200,000,000	57,000.00	57,000,000	–
(iii)	200,000	200,000,000	57,000.00	57,000,000	28,500,000

- 2.2 The authorised share capital of the Company is 200,000,000 Shares of which may be issued in such classes and with such rights as the Directors may determine.
- 2.3 In the two years immediately preceding the date of this document, the Company issued the following Ordinary Shares:

<i>Date</i>	<i>Number of Ordinary Shares</i>	<i>Price per Ordinary Share</i>
19 November 2009	6,099,000	60p
16 November 2010	2,420,000	101.5p

All Ordinary Shares were fully paid up and were not issued at a discount or on special terms.

- 2.4 No part of the Company's capital is under option or agreed to be put under option.

- 2.5 There are no provisions of Guernsey law equivalent to sections 561 *et seq.* of the Companies Act 2006 (as amended) in the UK which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash.
- 2.6 Pursuant to the CISX Listing Rules, the Ordinary Shares may not be issued at a price which is less than the Net Asset Value per Ordinary Share unless authorised by a majority of the holders of the Ordinary Shares or offered first on a *pro rata* basis to those holders.
- 2.7 At the Annual General Meeting of the Company held on 3 June 2011, the Company was given authority by the Shareholders, in accordance with the Articles and the Companies Law and for so long as the Ordinary Shares of the Company continue to be traded on the CISX, to make market acquisitions of its own shares provided that unless a tender offer is made to all holders of Ordinary Shares, the maximum number of Ordinary Shares authorised to be purchased is less than 15 per cent. of the Company's issued share capital, the minimum price (exclusive of expenses) payable for the Ordinary Shares is £0.01 per share, the maximum price (exclusive of expenses) payable by the Company for the Ordinary shares is 5 per cent. above the average of the middle market quotations on each of the 5 business days before the purchase is made, the purchase price may be paid by the Company out of distributable profits or out of capital and share premium or otherwise to the fullest extent permitted by the Companies Law and such authority (unless previously renewed or revoked) expires at the end of the Company's Annual General Meeting to be held in 2012 or, if earlier, the date falling 18 months after 3 June 2011.
- 2.8 Under the CISX Listing Rules, unless a tender offer or partial offer is made to all holders of the Ordinary Shares or Subscription Shares (as applicable) on the same terms, purchases by the Company of less than 15 per cent. of its Ordinary Shares or Subscription Shares (as applicable) pursuant to a general authority granted by shareholders may be made through the market only if the price to be paid is not more than 5 per cent. above the average of the market values of those Ordinary Shares or Subscription Shares (as applicable) for the 5 business days before the purchase is made.
- 2.9 Approval of Shareholders will be required for any market acquisitions by the Company of Subscription Shares. The Directors propose to seek such authority at the next Annual General Meeting of the Company in order to reflect their usual practice in relation to the Ordinary Shares. The Directors do not currently contemplate making any such purchase before the date of the next Annual General Meeting and accordingly do not consider it appropriate to convene an Extraordinary General Meeting to seek such approval in the interim.

3. Memorandum and Articles of Incorporation

The principal objects of the Company, which are set out in clause 3 of its memorandum of incorporation, are amongst other things, to carry on the business of an investment-holding company.

A summary of the principal provisions of the Articles, including the provisions relating to the rights attaching to Ordinary Shares, is set out below.

3.1 Voting Rights

Subject to any special rights or restrictions for the time being attached to any class of share, on a show of hands every Shareholder (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting shall have one vote, and on a poll every Shareholder (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting shall have one vote for each share held by him. In the case of an equality of votes on a poll, the Chairman of the meeting shall have a second or casting vote in addition to any other vote he may have.

3.2 *Transfer of Shares in the Company*

3.2.1 The Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares in the Company to be admitted to settlement by means of the CREST system. If the Directors implement any such arrangement no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

3.2.1.1 the holding of shares of that class in uncertificated form;

3.2.1.2 the transfer of title to shares of that class by means of the CREST system; or the CREST Guernsey Requirements. Where any class of shares in the Company is for the time being admitted to settlement by means of the CREST system such securities may be issued in uncertificated form in accordance with, and as provided in, the CREST Guernsey Requirements. Unless the Directors otherwise determine, such securities held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with, and as provided in, the CREST Guernsey Requirements.

3.2.2 Title to such of the shares as are recorded on the register of members as being held in uncertificated form may be transferred only by means of the CREST system and as provided in the CREST Guernsey Requirements. Every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed.

3.2.3 Transfers of certificated shares may be effected by an instrument of transfer in any usual form or in any other form approved by the Directors, and the instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee.

3.2.4 Every instrument of transfer of a certificated share shall be left at the registered office of the Company or such other place as the Directors may prescribe with the certificate of every share to be transferred and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate (if any) shall remain in the custody of the Directors but shall at all reasonable times be produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate will be delivered if required by him in writing.

3.2.5 In exceptional circumstances the Directors may refuse to register a transfer of a certificated or uncertificated share which is not fully paid or on which the Company has a lien provided that, in the case of a listed share, such refusal would not prevent dealings in those shares for taking place in an open and proper basis on AIM. In addition, the Directors may refuse to register a transfer of a share which is prohibited by the provisions described in paragraph 3.2.10 and may also refuse to register the transfer of a share unless:

3.2.6.1 it is in respect of only one class of shares;

3.2.6.2 it is in favour of a single transferee or not more than four joint transferees;

3.2.6.3 it is delivered for registration to the Company's registered office or such other place as the Directors may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; and

- 3.2.6.4 it is not in favour of any Non-Qualified Holder, defined in the Articles as being any person, as determined by the Directors, to whom a sale or transfer of shares, or in relation to whom the holding of shares: (a) is a US Person but is not a “**qualified purchaser**” under the US Investment Company Act; (b) would or could be in breach of the laws or requirements of any jurisdiction or governmental authority; (c) would or might result in the Company incurring a liability to taxation or suffering a pecuniary, fiscal, administrative, regulatory or similar disadvantage, including, but not limited to, the Company being required to register as an “investment company” under the US Investment Company Act; or (d) would be for or on behalf of an “**employee benefit plan**”, as defined in paragraph 3.2.10 below.
- 3.2.7 If the Directors refuse to register the transfer of a share, they shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.
- 3.2.8 The Directors shall register a transfer of title to any uncertificated share in accordance with the CREST Guernsey Requirements, but the Directors may refuse to register a transfer in favour of more than four persons jointly or in any other circumstance permitted by the AIM Rules or the CREST Regulations.
- 3.2.9 The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Directors may decide and either generally or in respect of a particular class of shares except that, in respect of share which are participating securities, the register of holders shall not be closed without the consent of Euroclear.
- 3.2.10 No investor can acquire shares in the Company on behalf of an “**employee benefit plan**” (within the meaning of Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”)) that is subject to Title I of ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the IR Code or any applicable similar laws, or any entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement without the Company’s prior written consent. Any purported acquisition or holding of shares or a beneficial interest therein in contravention of such restrictions will be void and have no force and effect. If, notwithstanding the foregoing, a purported acquisition or holding of shares or a beneficial interest therein is not treated as being void for any reason, the holder can be obliged to transfer his shares to a person qualified to hold the same and should he fail to do so within 20 days of notice, such shares shall be deemed forfeited and subject to the compulsory transfer provisions of the Articles.
- 3.2.11 Any purported acquisition by an investor who is a US Person but is not a ‘qualified purchaser’ under the US Investment Company Act at the time it acquires shares of the Company or a beneficial interest therein will be void and have no force and effect. If notwithstanding the foregoing a purported acquisition is not treated as being void for any reason, the Directors may give notice to such person requiring them to (i) provide the Directors within 20 days with sufficient satisfactory documentary evidence to satisfy the Directors that such person will not cause the Company to be required to be registered as an investment company under the US Investment Company Act or that such person is not a Plan or otherwise a non-qualified holder; or (ii) to sell such shares or such beneficial interest immediately to a person qualified to hold the shares within 20 days and within such 20 days to provide the Directors with satisfactory evidence of such sale or transfer. Pending such transfer, the Company is authorised to suspend the exercise of any voting rights, any rights to receive notice of, or attend, a shareholders meeting and any rights to receive distributions with respect to such shares. If the obligations are not met, the Directors are authorised to follow the compulsory purchase provisions of the Articles.
- 3.2.12 Unless the Directors determine otherwise any shares or warrants held by a US Person may only be transferred after the holder has notified the Directors of its intention to transfer the Securities and, unless the Directors determine otherwise, has obtained from the transferee a signed letter addressed to the Directors, containing such representations as may be required by the Directors from time to time.

Unless the Directors determine otherwise any shares or warrants held by a US Person must be held in certificated form and may not be transferred into CREST or any other paperless system without the prior approval of the Directors. Such approval will only be granted if the transferor provides a signed letter addressed to the Directors containing a representation that the transferee is not a US Person.

Any purported acquisition or transfer of Securities in contravention of the foregoing restrictions will be void and have no force and effect. If, notwithstanding the foregoing, a purported acquisition or holding of Securities is not treated as being void for any reason, the holder can be obliged to transfer his Securities to a person qualified to hold the same and should he fail to do so within 20 days of notice, such Securities shall be deemed forfeited and subject to the compulsory transfer provisions of the Articles.

3.3 *Disclosure of Beneficial Interests in Ordinary Shares*

- 3.3.1 The Directors have the power by giving notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder who has any interest in the shares held by the Shareholder together with the nature of that interest. If a Shareholder upon whom such notice has been served fails to disclose the information required in the prescribed period, the Directors may (upon serving further notice upon the defaulting Shareholder) direct that the Shareholder shall in respect of the shares concerned (“**Default Shares**”) and any other shares held by the shareholder have no right to vote (either personally or by proxy) either at a general meeting of the Company or a meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares in the Company.
- 3.3.2 Where the Default Shares represent at least 0.25 per cent., of the class of shares concerned, the notice may additionally direct that in respect of the Default Shares any dividend which would otherwise be payable on such shares shall be retained by the Company without liability to pay interest thereon, and no transfer, other than a transfer in acceptance of a public offer made to acquire all the issued shares in the Company, a sale to a party unconnected to the Shareholder or a sale through a recognised investment exchange (as defined in FSMA) shall be registered, unless the Shareholder is not himself in default, or when presented for registration, the transfer is accompanied by a certificate by the Shareholder in a form satisfactory to the Directors stating that no person in default is interested in any of the Default Shares.

3.4 *Dividends*

- 3.4.1 Subject to the Companies Law and the Articles, the Company may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by the Directors or shall be payable except out of the profits of the business of the Company.
- 3.4.2 The Directors may declare and pay such interim dividends as appear to them to be justified by the position of the Company.
- 3.4.3 Except as otherwise provided by the rights attached to shares in the Company, a dividend shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid. The Directors may deduct from any dividend payable to any Shareholder all sums of money presently payable from him to the Company on account of calls or otherwise. Dividends unclaimed for a period of 12 years after having been declared or become due for payment shall be forfeited and shall revert to the Company.
- 3.4.4 The Company may, upon the recommendation of the Directors, by ordinary resolution, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company, or the Directors may offer holders of a particular class of shares the right to elect to receive further shares of that class, created as fully paid, instead of cash.

3.5 *Distribution of Assets on a Winding Up*

- 3.5.1 If the Company is wound up, the surplus assets remaining after payment of all creditors shall be divided *pari passu* among the Shareholders in proportion to their holdings of shares, subject to the rights of any shares which may be issued with special rights or privileges.
- 3.5.2 If the Company is wound up, the liquidator may with the authority of a special resolution divide among the Shareholders *in specie* the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Shareholder shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.
- 3.5.3 Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the “transferee”) the liquidator may, with the sanction of an ordinary resolution, conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares, policies, or other like interests in the transferee for distribution among the Shareholders or may enter into any other arrangement whereby the Shareholders may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

3.6 *Changes in Share Capital*

- 3.6.1 The Company may by ordinary resolution: consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; subdivide all or any of its shares into shares of smaller amount; cancel any shares which at the date of the resolution have not been taken or agreed to be taken by any person; convert all or any shares into stock and reconvert that stock into paid up shares of any denomination; and convert all or any shares the nominal amount of which is expressed in a particular currency into a different currency.
- 3.6.2 The Company may from time to time, subject to the provisions of the Companies Law, purchase its own shares in any manner authorised by the Companies Law. The Company may hold any shares purchased by it as Treasury Shares.

3.7 *Variation of Rights*

If at any time the share capital of the Company is divided into different classes, the rights attached to any class may be varied in such manner as may be provided by such rights or in the absence of such provision either with the consent in writing of the holders of not less than three-quarters of the capital committed or agreed to be committed in respect of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. The quorum at such meeting shall be two persons holding or representing by proxy at least one third of the capital committed or agreed to be committed in respect of the issued shares of the class in question.

3.8 *General Meetings*

- 3.8.1 Annual general meetings are and shall be held at least once in each subsequent calendar year and shall be convened by the Directors at such time and in Guernsey or such other place as they think fit. General meetings shall not be held in the United Kingdom.
- 3.8.2 The Directors may convene an extraordinary general meeting whenever they think fit. The Directors must on the requisition in writing of one or more Shareholders representing not less than one-tenth of the issued share capital of the Company upon which all calls or other sums

then due have been paid, forthwith proceed to convene an extraordinary general meeting. The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more of the requisitionists. If the Directors do not proceed to cause a meeting to be held within 21 days from the date of the requisition being so deposited, the requisitionists or a majority of them in value may themselves convene the meeting. Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Directors.

3.8.3 A general meeting shall be called by not less than 21 days' notice. The notice of meeting shall be given to all the Shareholders entitled to receive notices in accordance with the Articles.

3.8.4 The quorum for a general meeting is two Shareholders present in person or by proxy.

3.9 ***Directors***

3.9.1 Unless and until the Directors shall otherwise determine, the number of Directors shall not be less than two.

3.9.2 The Board, or the Company by ordinary resolution, has the power at any time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.

3.9.3 The fees of the Directors for their services in the office of director shall be determined by the Directors from time to time. The Directors are entitled to be paid all reasonable expenses properly incurred by them in or about the performance of their duties as Directors including expenses incurred in attending meetings of the Directors or of committees or general meetings.

3.9.4 Any Director who shall render or perform extra or special services or shall travel or go to reside in any country not his usual place of residence may be paid such sum as the Directors shall think fit for expenses and such remuneration (whether by way of fixed sum or percentage of profits or otherwise) as the Directors may determine either in addition to or in substitution for any other remuneration which may be entitled to receive.

3.9.5 The Directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) an3Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

3.10 ***Disqualification of Directors***

The circumstances in which a Director shall be disqualified from office include, *inter alia*, if he becomes bankrupt or insolvent, is prohibited by law from acting as a director, resigns his office in writing or becomes resident in the United Kingdom and as a result a majority of the Directors are resident in the United Kingdom.

3.11 ***Retirement and Removal of Directors***

The Directors are required to retire by rotation. There is no set age at which a Director must retire. The Shareholders may vote to remove a Director from office by the passing of an ordinary resolution. A Director must retire or be removed from office if he becomes resident in the UK and this causes a majority of Directors to be resident in the UK (as the case may be).

3.12 ***Proceedings of Directors***

3.12.1 The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman at the meeting shall not have a second or casting vote.

3.12.2 All meetings of the Directors shall take place outside the United Kingdom and any decision reached at any meeting held within the United Kingdom or at which a majority of United Kingdom resident Directors is present shall be invalid and of no effect.

3.12.3 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be two.

3.12.4 A Director must, immediately after becoming aware of the fact that he or an associate is materially interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with the Companies Law if the monetary value of the Director's interest is quantifiable the nature and monetary value of that interest; or if the monetary value of the Director's interest is not quantifiable the nature and extent of that interest. This does not apply if the transaction is between the Director and the Company and is entered into in the ordinary course of the Company's business and on usual terms and conditions. In most instances, a Director may not vote (but may be counted in the quorum) in respect of any contract or arrangement or proposal in which he has any material interest.

3.13 ***Borrowing Powers***

The Directors may exercise all the powers of the Company to borrow and to give guarantees, mortgage, hypothecate, pledge or charge all or any part of its undertaking, property, assets and uncalled capital and, subject to the provisions of the Companies Law, to issue debentures, loan stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

3.14 ***Directors' Authority to Allot Shares***

The unissued shares and any Treasury Shares held in the Company are at the disposal of the Directors, who may allot, grant options over, or otherwise dispose of them on such terms and conditions and at such times as they see fit.

3.15 ***Issuance of Shares***

Any new shares in the Company shall be of such class and have such preference or priority as regards dividends, the distribution of assets, or as to voting, or otherwise over any other shares of any class whether then issued or not as the Directors may determine. Any preference shares may, with the sanction of the Directors or an ordinary resolution of the Company, be issued on terms that they are at the option of the Company or the Shareholder liable to be redeemed on such terms and in such manner as the Shareholders of the Company may by ordinary resolution determine or, in default, as the Directors may decide.

3.16 ***Untraceable Members***

If, after due efforts by the Company and after a period of twelve years, the Company shall be entitled to sell at the best price reasonably obtainable the shares of a Member or any shares to which a person is entitled by transmission on death or bankruptcy. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount.

3.16 ***Annual Report***

A balance sheet (containing a general summary of the assets and liabilities of the Company) shall be laid before the Company at its annual general meeting in each year. The balance sheet shall be accompanied by a report of the Directors as to the state of the Company and the amount (if any) which they recommend to be paid by way of dividend and the amount (if any) which they have carried or propose to carry to reserve. A copy of every balance sheet and of all documents annexed thereto including reports of the Directors and the Company's auditors shall be sent to Shareholders at least 21 days before the date of the general meeting.

3.17 *Committees*

The Directors may delegate any of their powers to committees consisting of any one or more of the Directors as they think fit. Such committee shall meet only outside the UK.

3.18 *Notification of Interests*

Any person, acting alone or in concert, who acquires or has acquired interests in shares in the Company which amount to three per cent., or more of the issued share capital of any class of shares in the Company is obliged by the terms of the articles of the Company to notify the Company within two days following the date on which he became aware of the acquisition of such interest. In addition, for as long as his interest amounts to three per cent., or more of the issued share capital of any class of shares in the Company, such person is obliged by the terms of the articles to notify the Company of any change to his interests amounting to one per cent., or more of the issued share capital of any class of shares of the Company within two days following the date on which he became aware of such change. Failure to notify entitles the directors to serve a notice stating that the shareholder is not entitled to vote or otherwise exercise the rights of any shares referred to in the article during a period of time not to exceed 180 days following the service of such notice.

3.19 *Compulsory purchase of remaining 10 per cent. of shares after takeover*

If as a result of any offer to acquire all the shares of the company the offeror has acquired not less than nine-tenths in value of the shares to which the offer relates, the offeror may give notice to the holders of any shares to which the offer relates but which the offeror has not acquired, that he desires to acquire those shares, within a period of two months beginning on the date on which the offeror has acquired or contracted to acquire at least nine-tenths of the shares.

Following the service of the notice, the offeror is bound to acquire the shares to which the notice relates, and if any shareholder fails to transfer such shares the directors can authorise an individual to execute instruments of transfer and shall register the offeror as the holder of the shares.

3.20 *Purchase of own shares*

The Company may from time to time, subject to the provisions of the Companies Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Companies Law. Subject to the provisions of the Companies Law the Company may hold any shares acquired by it as treasury shares.

4. *Directors' and other interests*

- 4.1 The interests of each Director including any associate (within the meaning of the CISX Listing Rules) of a Director the existence of which is known to, or could after reasonable enquiries be ascertained by, that Director in the share capital of the Company together with any options in respect of such capital immediately following completion of the Placing and Admission of the Placing Shares and the Subscription Shares, are set out below. All such Ordinary Shares and Subscription Shares allotted and issued will be beneficially held by such Directors:

<i>Name</i>	<i>As at the date of this document</i>		<i>Following the Placing and Admission</i>		
	<i>Ordinary</i>		<i>Ordinary</i>	<i>Subscription</i>	
	<i>Shares</i>	<i>per cent.</i>	<i>Shares</i>	<i>Shares</i>	<i>per cent.</i>
Malcolm Burne	362,500	0.90	387,500*	193,750	0.68
Kaare Foy	20,000	0.05	25,000*	12,500	0.04
Robert King	20,000	0.05	20,000	10,000	0.04

(* inclusive of the Placing Shares for which such Directors have agreed to subscribe under the Placing)

- 4.2 The interests of John Bowles, alternate Director to Malcolm Burne and Kaare Foy, including any associate (within the meaning of the CISX Listing Rules) of his the existence of which is known to, or could after reasonable enquiries be ascertained by, him in the share capital of the Company together

with any options in respect of such capital immediately following completion of the Placing and Admission of the Placing Shares and the Subscription Shares, are set out below. All such Ordinary Shares and Subscription Shares allotted and issued will be beneficially held by John Bowles:

<i>Name</i>	<i>As at the date of this document</i>		<i>Following the Placing and Admission</i>		
	<i>Ordinary Shares</i>	<i>per cent.</i>	<i>Ordinary Shares</i>	<i>Subscription Shares</i>	<i>per cent.</i>
John Bowles	3,314	0.01	4,214	2,107	0.01

(* inclusive of the Placing Shares for which John Bowles has agreed to subscribe under the Placing)

- 4.3 Save as set out in paragraph 4.1 above, none of the Directors has any interests, beneficial or otherwise, in the share capital of the Company nor does (so far as is known to, or could after reasonable enquiries be ascertained by, the Directors) any associate (within the meaning of the CISX Listing Rules) of any of the Directors have any interests in such share capital.
- 4.4 There are no outstanding loans by the Company to any of the Directors nor any guarantees provided by the Company for the benefit of any of the Directors.
- 4.5 The services of the Directors are provided under the terms of letters of appointment between the Company and each of them dated 15 November 2006, which appointments are ongoing (and are not for fixed periods) and subject to termination by either party upon at least three months' notice. Each Director is currently paid a fee of £16,000 per annum.
- 4.6 There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- 4.7 The aggregate remuneration payable to, and benefits in kind granted to, the Directors by the Company in respect of the last completed financial year ended 31 December 2010 was £36,000. The aggregate remuneration payable to, and benefits in kind receivable by, the Directors by the Company in respect of the current financial year ending 31 December 2011 under the arrangements in force at the date of this document are estimated to be £48,000.
- 4.8 Dr. Bowles is a director of Mineral Sciences Limited, a company contracted to provide specialist advice on geological and mining matters relating to any of the projects being considered by the Company as investment opportunities, further details of which are set out in paragraph 5.6 below. Dr. Bowles receives a current fee of £7,000 per annum from Mineral Sciences Limited.
- 4.9 Save as set out in this paragraph 4, there are no contracts or arrangements subsisting at the date of this document in which the Directors (or their alternate(s)) are materially interested and which are significant in relation to the business of the Company.
- 4.10 So far as the Company is aware, as at the date of this document, no person is directly or indirectly interested in 10 per cent. or more of the nominal value of the Ordinary Shares.

5. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company during the two years preceding the date of this document and are or may be material or contain any provisions under which the Company has any obligation or entitlement which is material to the Company at the date of this document:

- 5.1 An investment management agreement dated 15 November 2006 (as amended and restated on 12 May 2008) between Ambrian Asset Management Limited ("AAM") as the Company's then investment manager (1) and the Company (2) (the "**Investment Management Agreement**") whereby AAM was appointed to manage the investments of the Company in accordance with the investment policy from time to time approved by the Directors. Under the terms of the agreement, AAM had discretionary authority to manage the investments of the Company and, subject to the approval of the Directors, the authority to purchase and dispose of investments for the account of the Company.

Under the terms of the Investment Management Agreement, AAM was entitled to receive an investment management fee payable monthly in arrears equivalent to one twelfth of 1.5 per cent. of Net Asset Value (before deduction of the month's investment management fee and before deduction of any accrued performance fee) and was also entitled to reimbursement of certain expenses incurred by it in connection with its duties. AAM was also entitled to an annual performance fee equal to 20 per cent. of any increase in the Company's Net Asset Value on the last day of each calendar year above an annual hurdle for growth of 8 per cent. and subject to a 'high water mark' (being the highest Net Asset Value on or before the last business day in the relevant year in which the performance fee becomes payable, subject to any applicable adjustment).

In keeping with the principle of the 'high water mark', the starting Net Asset Value for the calculation was the higher of the Company's Net Asset Value immediately after 28 November 2006 (the date when the Company's Ordinary Shares were originally admitted to trading on AIM, the market of that name operated by the London Stock Exchange) and the deduction of all formation costs and initial expenses and the Company's Net Asset Value at the close of business on the last business day in 2006. The Administrator is responsible for calculating the performance fee payable in respect of each year and it will be due to the Investment Manager within 30 business days of the last business day of the year to which it applies.

The Investment Management Agreement contains an indemnity from the Company in favour of the Investment Manager (and any person to whom the Investment Manager has delegated its duties under the Agreement) in respect of any cost, loss, liability or expense suffered or incurred in connection with the proper performance of its services, any breach by the Company of its obligations under the Agreement or any breach of the warranties given by the Company, except to the extent that the same arises from the negligence, wilful default or fraud of the Investment Manager or its delegate or any breach by the Investment Manager or its delegate of the Investment Manager's obligations under the Agreement, any applicable laws or regulations and any FSA rules.

The Investment Management Agreement is for an initial period of 5 years and thereafter until terminated by the Investment Manager or the Company on 12 months' written notice. The Company may also terminate the Agreement if the Investment Manager becomes unable to provide personnel reasonably acceptable to the Company to manage the Company's Portfolio and the Agreement shall automatically terminate if the Investment Manager's regulatory authorisation for, *inter alia*, dealing with the Company's investments is withdrawn (for whatever reason). Either party may also terminate the Agreement, *inter alia*, in the event of a material breach by the other party of its obligations or upon the occurrence of certain insolvency events relating to the other.

- 5.2 A deed of novation dated 15 September 2008, entered into between AAM (1) CQS Cayman Limited Partnership, acting through its general partner CQS Cayman General Partner ("CQS") (2) and the Company (3) (the "**IMA Deed of Novation**"), pursuant to which AAM as the outgoing investment manager was released and discharged from the Investment Management Agreement and CQS undertook to perform the Investment Management Agreement and to be bound by the Investment Management Agreement in place of AAM, in each case as from 15 September 2008, with AAM novating the Investment Management Agreement to CQS and assigning to CQS all its rights, benefits and interests in the Investment Management Agreement (save for outstanding fees and certain other amounts) and CQS accepting such novation, all with the consent of the Company. The IMA Deed of Novation also made certain amendments to the Investment Management Agreement.

Under the IMA Deed of Novation, the Company consented to the delegation by CQS to New City Investment Managers Limited (now CQS Asset Management Limited) trading as 'New City Investment Managers' ("**NCIM**") of the performance of any of CQS's investment management or advisory functions, powers, authorities, duties and discretions, with CQS remaining responsible for all acts or omissions of NCIM carried out as a consequence of such delegation.

- 5.3 An investment advisory agreement dated 15 September 2008 (as amended and restated on 9 April 2009) between CQS (1) NCIM (2) and the Company (3) (the "**Investment Advisory Agreement**") pursuant to which (i) CQS has delegated to NCIM the performance of any CQS' investment management and advisory functions, powers, authorities, duties and discretions under the Investment

Management Agreement and (ii) the Company has assented to such appointment. CQS shall pay all fees and expenses due to NCIM under the Investment Advisory Agreement. The Investment Advisory Agreement also contains certain acknowledgements, representations, warranties and indemnities given by the Company in favour of NCIM together with the provisions which enable NCIM to terminate the Investment Advisory Agreement in certain circumstances, including where CQS or the Company commits any material breach of the Investment Advisory Agreement.

- 5.4 A letter agreement dated 6 April 2009 from the Company to CQS pursuant to which the Company and CQS agreed that (with certain exceptions relating to the MiFID obligations) all amendments made to the Investment Management Agreement as set out in the Amended and Restated Investment Management Agreement shall apply in relation to CQS' ongoing appointment as the Company's investment manager (and with effect from 12 May 2008) as if the Amended and Restated Investment Management Agreement had been the subject of the IMA Deed of Novation.
- 5.5 A master prime brokerage agreement dated 28 August 2009 between Credit Suisse Securities (Europe) Limited (the "**Prime Broker**") (1) and the Company (2) whereby the Company has appointed the Prime Broker to act as custodian and prime broker for the Company's investments, cash and other assets, and to accept the responsibility for the safe custody of the property of the Company which is delivered to and accepted by the Prime Broker or any of its sub-custodians. Either party is able to terminate the master prime brokerage agreement by giving 30 business days' notice in writing to the other. The Company has indemnified the Prime Broker (and its affiliates) against certain losses, claims, damages and expenses which may be incurred by the Prime Broker in relation to the services provided under the master prime brokerage agreement, which is customary in agreements of this nature. The Prime Broker will receive fees for the provision of such services at rates depending on the number of trades affected and the location of securities held.

Under the master prime brokerage agreement, the Prime Broker may, in its sole discretion, make advances to the Company, as and when requested by the Company, at interest rates to be agreed between the Prime Broker and the Company and with any such advance to be repayable on demand. As at 14 October 2011, the Company had outstanding indebtedness of £1,042,830.34 under such agreement.

- 5.6 An amended and restated consultancy agreement dated 9 September 2009 (as varied on 14 April 2011) between Mineral Science Limited (1) and the Company (2), whereby Mineral Science Limited has been retained by the Company to provide specialist consultancy services to the Company on geological and mining matters relating to projects being considered by the Company as investment opportunities and for which services the Company has agreed to pay a consultancy fee of currently £7,000 per annum for 17.5 days per annum of consultancy services and if any consultancy services are required for more than such 17.5 days, at a rate to be agreed. The agreement continues for successive periods of 12 months (following the initial 12 month period commencing on 9 September 2009) can be terminated by either party on written notice given prior to the last 60 days of any preceding period.
- 5.7 An administration and secretarial agreement dated 1 October 2009 between the Company (1) and Legis Fund Services Limited (the "**Administrator**") (2), whereby the Company has appointed the Administrator to act as administrator and secretary to the Company. The Administrator was paid a take on fee of £5,000 and is paid a fixed fee of £55,000 per annum, paid monthly in arrears. Either party is able to terminate the agreement by giving not less than 3 months' notice in writing to the other.
- 5.8 A sponsor agreement dated 1 October 2009 between the Company (1) and Legis Fund Services Limited (the "**CISX Sponsor**") (2), whereby the Company appointed the CISX Sponsor to act as CISX sponsor of the Company in relation to the Company's listing of its Ordinary Shares and (now) also its Subscription Shares on the CISX. The CISX Sponsor will be paid an annual retainer fee of £2,500 in addition to all costs, charges and expenses incurred with any CISX listing. Either party is able to terminate the sponsor agreement by giving not less than 60 days' notice in writing to the other.
- 5.9 A placing agreement dated 11 November 2009 between the Company (1) and Singer Capital Markets (2), pursuant to which Singer Capital Markets agreed to use its reasonable endeavours to procure subscribers for up to a maximum of 10,000,000 Ordinary Shares at a placing price of 60p per share

and pursuant to which 6,099,000 Ordinary Shares were ultimately allotted and issued on 19 November 2009 raising £3,659,400 (before expenses) for the Company.

Under the placing agreement, the Company paid to Singer Capital Markets a corporate finance fee of £25,000 and total commission of £42,391. The placing agreement also provided for the Company to pay all expenses of and incidental to the placing.

The placing agreement also contained warranties and indemnities given by the Company in favour of Singer Capital Markets, including, *inter alia*, warranties as to the accuracy of the information contained in the announcement of the placing and the presentation made to potential placees, together with the provisions which would have enabled Singer Capital Markets to terminate the placing agreement in certain circumstances, including where any of the warranties were found to be untrue or inaccurate in any material respect.

- 5.10 A placing agreement dated 16 November 2010 between the Company (1) and Singer Capital Markets (2), pursuant to which Singer Capital Markets agreed to use its reasonable endeavours to procure subscribers for up to a maximum of 40,363,082 Ordinary Shares at a placing price of 101.5p per share and pursuant to which 2,420,000 Ordinary Shares were ultimately allotted and issued on 16 November 2010 raising £2,456,300 (before expenses) for the Company.

Under the placing agreement, the Company paid to Singer Capital Markets a corporate finance fee of £25,000 and total commission of £24,563. The placing agreement also provided for the Company to pay all expenses of and incidental to the placing.

The placing agreement also contained warranties and indemnities given by the Company in favour of Singer Capital Markets, including, *inter alia*, warranties as to the accuracy of the information contained in the announcement of the placing and the presentations made to potential placees, together with the provisions which would have enabled Singer Capital Markets to terminate the placing agreement in certain circumstances, including where any of the warranties were found to be untrue or inaccurate in any material respect.

- 5.11 An engagement letter dated 11 April 2011 (signed by the Company on 29 July 2011) from Singer Capital Markets to the Company pursuant to which the Company has engaged Singer Capital Markets to act as its financial adviser and corporate broker on an ongoing basis. The Company has agreed to pay Singer Capital Markets a retainer fee of £14,400 per annum payable quarterly in advance. The engagement letter may be terminated immediately by either party on at least 30 days' written notice or immediately on notice of any material breach of the letter by the other. The engagement letter contains various undertakings and indemnities from the Company.

- 5.12 The Placing Agreement dated 21 October 2011 between the Company (1) the Investment Manager (2) and Singer Capital Markets (3), pursuant to which Singer Capital Markets has agreed to use its reasonable endeavours to procure subscribers for 16,630,000 Placing Shares at the Placing Price.

The agreement is conditional, *inter alia*, upon Admission of the Placing Shares taking place on or before 26 October 2011 or such later date as Singer Capital Markets and the Company may agree (but in any event not later than 9 November 2011). The Company will pay to Singer Capital Markets a corporate finance fee of £25,000 (whether or not the Placing is completed and Admission of the Placing Shares takes place). In addition, if the Placing is completed and Admission of the Placing Shares takes place, the Company will pay to Singer Capital Markets an aggregate commission of 1 per cent. of the first £2,500,000 of the aggregate value of the Placing Shares at the Placing Price and 1.5 per cent. of the aggregate value of the Placing Shares at the Placing Price in excess of £2,500,000. The agreement provides for the Company to pay all expenses of and incidental to the Placing and the applications for Admission of the Placing Shares, including the fees and costs of other professional advisers, all costs relating to the Placing, including printing, advertising and distribution charges, the fees of the Registrars and the fees payable to the CISX and the London Stock Exchange.

The agreement contains warranties given by the Company and the Investment Manager in favour of Singer Capital Markets, including, *inter alia*, warranties as to the accuracy of the information

contained in this document, the announcement of the Placing and the presentations made to potential placees, indemnities in favour of Singer Capital Markets from the Company and provisions which enable Singer Capital Markets to terminate the Placing Agreement in certain circumstances, including where any of the warranties are found to be untrue or inaccurate in any material respect.

6. Working capital

In the opinion of the Directors, having taken account of the Net Proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is for at least twelve months from the date of Admission of the Placing Shares and the Subscription Shares.

7. Legal and arbitration proceedings

There are no legal or arbitration proceedings (including any such proceedings which are threatened of which the Company is aware) which may have, or have had in the 12 months preceding the date of this document, a significant effect on the Company's financial position.

8. Material adverse change

The Directors do not consider that there has been any material adverse change in the financial or trading position of the Company since 30 June 2011 (being the date to which the latest unaudited interim audited accounts of the Company were prepared).

9. Corporate governance

- 9.1 The Directors recognise the importance of sound corporate governance in the UK and Guernsey and to date have ensured that the Company has adhered to policies and procedures which reflect those principles of good corporate governance as published by the Financial Reporting Council (commonly known as the 'UK Corporate Governance Code') as are appropriate to the Company's size.
- 9.2 Guernsey is expected to introduce the Finance Sector Code of Corporate Governance (the "**Guernsey Governance Code**") on 1 January 2012. The Guernsey Governance Code provides a framework which will apply generally to all companies who hold a licence from the Guernsey Financial Services Commission under the regulatory laws and aims to help boards discharge their duties efficiently and effectively. The Board has undertaken to adopt the Guernsey Governance Code as appropriate and to ensure that its corporate governance regime will reflect the legal and operating structure of the Company, as well as the nature, scale and complexity of its business.
- 9.3 The Board will meet at least quarterly and, in light of the fact that the Board is constituted entirely of non-executive Directors, it is not anticipated that there will be any formally constituted committees in relation to audit, nomination or remuneration.

10. City Code on Takeovers and Mergers

- 10.1 The Panel on Takeovers and Mergers of the United Kingdom (the "**Panel**") has been appointed under the Companies Law to carry out certain regulatory functions in relation to takeovers and mergers under Guernsey law. The rules set out in the City Code on Takeovers and Mergers (the "**City Code**") issued by the Panel have statutory effect in Guernsey by virtue of the Guernsey Law.
- 10.2 Under Rule 9 of the City Code, a person who acquires, whether by a single transaction or by a series of transactions over a period of time, shares which (taken with shares held or acquired or acquired by such persons acting in concert with him) carry 30 per cent., or more of the voting rights of a company, such person is normally required to make a general offer to all shareholders of that company at not less than the highest price paid by him or them or any persons acting in concert during the offer period and in the 12 months prior to its commencement.

11. General

- 11.1 The costs and expenses of, and incidental to, Admission of the Placing Shares and the Subscription Shares and the Placing will be borne by the Company and are not expected to exceed £400,000. Following Admission, the assets of the Company, net of expenses, will be applied in accordance with the Company's investment objective and approach.
- 11.2 CQS is a limited partnership- registered in the Cayman Islands with registered no. CR-14077.
- 11.3 CQS Asset Management Limited ("NCIM"), was incorporated in England and Wales on 8 December 2003 with registered no. 4988116 and trades under the name 'New City Investment Managers' and is authorised and regulated in the UK by the Financial Services Authority. NCIM was acquired on 1 October 2007 by CQS.
- 11.4 Legis Fund Services Limited, the Administrator and Secretary and also CISX sponsor, was incorporated in Guernsey on 19 October 1988 with registered number 19606 and is a wholly-owned subsidiary of Legis Group Limited, a company incorporated in Guernsey with registered number 22325. The Administrator is regulated in Guernsey.
- 11.5 The Custodian and Prime Broker, Credit Suisse Securities (Europe) Limited, is a wholly-owned subsidiary of Credit Suisse Investment Holdings (UK) Limited, a member of the Credit Suisse Group, One Cabot Square, London, E14 4QJ. It is regulated in the United Kingdom by the Financial Services Authority and is a listed money market institution under the FSMA.
- 11.6 Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 11.7 The Company's auditors are BDO Limited of Guernsey, which is a member of the Institute of Chartered Accountants in England and Wales, and was appointed on 13 November 2006.
- 11.8 The Investment Manager and Singer Capital Markets have given and not withdrawn their respective written consents to the issue of this document with their names and the references to them in the form and context in which such names and references are included.
- 11.9 The statutory records of the Company are kept at 11 New Street, St. Peter Port, Guernsey, GY1 2PF.

12. Availability of documents

Copies of the following documents will be available free of charge to the public at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) until the date falling one month after the date of Admission of the Placing Shares and the Subscription Shares:

- (a) the memorandum of incorporation of the Company and the Articles;
- (b) each material contract referred to in paragraph 5 above;
- (c) the consent letters of the Investment Manager and Singer Capital Markets referred to in paragraph 11.8 above;
- (d) the audited accounts of the Company for the financial year ending 31 December 2010, together with the unaudited interim accounts of the Company for the six month period ended 30 June 2011; and
- (e) this document.

Dated 24 October 2011

DEFINITIONS

“Admission”	CISX Admission and SETSqx Admission
“Administrator”	Legis Fund Services Limited, incorporated in Guernsey with registered number 19606
“Administration and Secretarial Agreement”	the administration and secretarial agreement dated 1 October 2009 between the Company and the Administrator, further details of which are set out in paragraph 5.7 of Part VIII of this document
“AIFM Directive”	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers
“AIM”	the market of that name operated by the London Stock Exchange, on which the Company’s Ordinary Shares were until June 2009 (but are no longer) traded
“Articles”	the articles of incorporation of the Company
“Board” or “Directors”	the directors of the Company whose names are set out on page 4 of this document
“Bonus Issue”	the issue to Qualifying Shareholders of Subscription Shares on the basis of 1 Subscription Share for every 2 existing Ordinary Shares held on the Record Date
“BRIC”	Brazil, Russia, India and China
“business day”	any day on which banks are open for business in London (excluding Saturdays, Sundays and public holidays)
“Capita Registrars”	a trading name of Capita Registrars (Guernsey) Limited;
“certificated” or “in certificated form”	not in uncertificated form
“CISX”	the Channel Islands Stock Exchange, LBG
“CISX Admission”	the admission of the Ordinary Shares or the Subscription Shares (as relevant), to listing on the Official List of the CISX becoming effective in accordance with the CISX Listing Rules
“CISX Listing Rules”	the rules of the CISX governing the listing of securities contained in the ‘Listing Rules’ document published by the CISX, as amended from time to time in the manner provided in such rules
“CISX Sponsor”	Legis Fund Services Limited, incorporated in Guernsey with registered number 19606
“Commission”	the Guernsey Financial Services Commission
“Companies Law”	the Companies (Guernsey) Law 2008, as amended
“Company”	Golden Prospect Precious Metals Limited, incorporated in Guernsey with registered number 45676
“CQS”	CQS Cayman Limited Partnership, a limited partnership registered in the Cayman Islands no. CR-14077
“CQS Group”	CQS Cayman Limited Partnership, CQS (UK) LLP and any other affiliated entity

“CREST”	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (<i>SI 2001 No. 2001/3755</i>) of the United Kingdom
“CREST Guernsey Requirements”	Rule 8 and such other rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (<i>SI 2001/3755</i>) and the CREST Guernsey Requirements
“Custodian” or “Prime Broker”	Credit Suisse Securities (Europe) Limited, incorporated in England and Wales with registered number 891554
“Dollar” or “\$”	United States Dollars
“EEA”	the European Economic Area
“ETF”	exchange-traded fund
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited
“FSA”	the UK Financial Services Authority
“FSMA”	the UK Financial Services and Markets Act 2000 (as amended)
“Gross Proceeds”	up to £18.6 million, being the proceeds of the Placing before the costs and expenses of the Placing and the issue of the Placing Shares and the Subscription Shares
“IFRS”	International Financial Reporting Standards
“Investment Manager”	CQS and/or NCIM, as the context requires
“Investment Management Agreement”	the agreement dated 15 November 2006 (as amended and restated on 12 May 2008 and novated in favour of CQS pursuant to a deed of novation dated 15 September 2008) between CQS and the Company pursuant to which CQS has agreed to provide the Company with investment management services, further details of which are set out in paragraph 5.1 of Part VIII of this document
“ISA”	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
“London Stock Exchange”	London Stock Exchange plc
“Master Prime Brokerage Agreement”	the master prime brokerage agreement dated 28 August 2009 between the Company and the Custodian, pursuant to which the Custodian was appointed to act as custodian and prime broker for the Company’s investments, cash and other assets, details of which are set out in paragraph 5.5 of Part VIII of this document

“MiFID”	Directive 2003/39/EC of the European Parliament and of the Council on Markets in Financial Instruments
“NCIM”	CQS Asset Management Limited, a company incorporated in England and Wales with registered no, 4988116, which trades under the name ‘New City Investment Managers’
“Net Asset Value”	the net asset value of the Company as determined by the Administrator in accordance with paragraph 7 of Part I of this document
“Net Proceeds”	the gross proceeds of the Placing less the costs and expenses of the Placing
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Placing”	the conditional placing by Singer Capital Markets of the Placing Shares at the Placing Price, on the terms set out herein and in the Placing Agreement
“Placing Agreement”	the conditional agreement dated 21 October 2011 between the Company (1) CQS (2) and Singer Capital Markets (3) relating to the Placing, further details of which are set out in paragraph 5.12 of Part VIII of this document
“Placing Price”	112 pence per Placing Share
“Placing Shares”	16,630,000 new Ordinary Shares to be issued pursuant to the Placing
“Portfolio”	the portfolio of investment assets owned by the Company from time to time
“Qualifying Shareholders”	Shareholders whose names are entered on the Register at the close of business on the Record Date
“Record Date”	the date on which Qualifying Shareholders’ entitlements to the Bonus Issue will be assessed against the Register, being 5.00 p.m. on 28 October 2011
“Register”	the register of members of the Company
“Regulation S”	Regulation S promulgated under the US Securities Act
“Regulatory Information Service provider”	a primary information provider which has been approved by the FSA to disseminate regulatory information to the market
“Restricted Shareholders”	Shareholders who are resident in, or citizens of, any of the Restricted Territories
“Restricted Territories”	the United States, Canada, Australia and Japan
“SETSqx”	the London Stock Exchange Electronic Trading service (quotes and crosses) trading platform
“SETSqx Admission”	the admission of the Ordinary Shares or the Subscription Shares (as relevant), to trading on SETSqx becoming effective in accordance with the London Stock Exchange rules
“Shareholder”	the holder of an Ordinary Share
“Shares”	the Placing Shares and the Subscription Shares

“Singer Capital Markets” or “SCM”	Singer Capital Markets Limited, incorporated in England and Wales with registered no. 5792780
“SIPP”	self invested personal pension
“Subscription Price”	the price at which the Subscription Rights are exerciseable in accordance with the rights attaching to the Subscription Shares (and subject to adjustment in accordance with those rights)
“Subscription Right”	the right conferred by each Subscription Share to subscribe for one Ordinary Share as detailed in Part V of this document
“Subscription Shareholders”	holders of Subscription Shares
“Subscription Shares”	Subscription Shares of no par value in the capital of the Company to be issued on the basis set out in this document
“Target Commodities”	precious metals, including gold, silver, platinum and palladium
“UK Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council
“uncertificated” or “in uncertificated form”	Recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“US Commodity Exchange Act”	the United States Commodity Exchange Act of 1936, as amended
“US Investment Company Act”	the United States Investment Company Act of 1940, as amended
“US Person”	(i) a ‘U.S. Person’ as defined in Regulation S or (ii) any person who is not a ‘Non-United States person’ as that term is defined in Rule 4.7 promulgated under the US Commodity Exchange Act
“US Securities Act”	the United States Securities Act of 1933, as amended