

**THE CONTENT OF THIS DOCUMENT HAS NOT BEEN APPROVED BY AN AUTHORISED PERSON WITHIN THE MEANING OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED). RELIANCE ON THIS DOCUMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL AMOUNTS INVESTED.**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about

**the contents of this document and/or the action that you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your registered holding of Existing Ordinary Shares on or before 6.00 p.m. (BST) on 20 April 2023, please forward this document and the enclosed Application Form to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred part of your holding of Existing Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Directors (whose names and functions appear on page 5 of this document) and the Company (whose registered office appears on page 5 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been, and will not be, approved by or filed with the Financial Conduct Authority or any other competent authority. In issuing this document, Scotgold Resources Limited is relying on Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended. Details of this exemption are set out in Part II of this document. Applications in respect of the Open Offer from persons not falling within such exemption will be rejected and the Open Offer contained in this document is not capable of acceptance by such person. Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Fox Williams LLP, 10 Finsbury Square, London EC2A 1AF from the date of this document to the date of admission of the Open Offer Shares to trading on AIM.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM and it is anticipated that dealings will commence on or around 8.00 a.m. on 17 May 2023. The Open Offer Shares will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

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## **Scotgold Resources Limited**

*(incorporated and registered in Australia under the Corporations Act  
2001 with registered number ABN 42 127 042 773)*

**Subscription of 3,333,333 new Ordinary  
Shares  
Open Offer of up to 10,065,262 new  
Ordinary Shares at 15 pence per  
Ordinary Share**

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AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should consider carefully whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

In connection with the proposed Fundraising and Admission, Shore Capital, in its capacity as nominated adviser and sole broker, are authorised and regulated in the United Kingdom by the Financial Conduct Authority, and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Shore Capital or for advising any other person in respect of the proposed Fundraising and Admission or any transaction, matter or arrangement referred to in this document. Shore Capital's responsibilities as the Company's nominated adviser are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Shore Capital by the FSMA or the regulatory regime established thereunder neither Shore Capital accepts any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on their behalf, in connection with the Company, the Ordinary Shares or the Fundraising and Admission. Each of Shore Capital accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

## **IMPORTANT NOTICE**

### **Cautionary note regarding 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", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the Company's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

### **Notice to overseas persons**

The distribution of this document and/or the Application Form in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should 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.

The New Ordinary Shares have not and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, South Africa or New Zealand or to or by any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or any national, resident or citizen of Canada, Japan, South Africa or New Zealand or any corporation, partnership or other entity created or organised under the laws thereof. The distribution of this document and/or the accompanying Application Form in jurisdictions other than the UK and Ireland may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

### **Presentation of financial information**

Certain data in this document, including financial, statistical and operational information has been rounded. As

a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom, references to “\$” and “\$” are references to the lawful currency of Australia.

In this document, the following exchange rates have been used:

£1 : \$1.85

#### **Presentation of market, economic and industry data**

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### **No incorporation of website information**

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

#### **Interpretation**

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

All times referred to in this document and the Application Form are, unless otherwise stated, references to London time.

All references to legislation in this document and the Application Form are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

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## **DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	Peter Hetherington, <i>Non-Executive Chairman</i> Phil Day, <i>CEO and Executive Director</i> Sean Duffy, <i>CFO and Executive Director</i> William “Bill” Stysinger III, <i>Non-Executive Director</i> Nathaniel Le Roux, <i>Non-Executive Director</i> Richard Barker, <i>Non-Executive Director</i> Ian Proctor, <i>Non-Executive Director</i> Evan Spencer, <i>Non-Executive Director</i>
<b>Company Secretary</b>	Richard Barker
<b>Registered Office</b>	Suite 4 189 Stirling Highway Nedlands Western Australia 6009
<b>Nominated Adviser</b>	Shore Capital and Corporate Limited Cassini House 57 St James’s Street London SW1A 1LD
<b>Broker</b>	Shore Capital Stockbrokers Limited Cassini House 57 St James’s Street London SW1A 1LD
<b>UK Solicitors to the Company</b>	Fox Williams LLP 10 Finsbury Square London EC2A 1AF
<b>Registrars and Receiving Agent</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“Admission”</b>	the admission of the Subscription Shares and/or Open Offer Shares (as the case may be) to trading on AIM becoming effective pursuant to Rule 6 of the AIM Rules
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange, as in force at the date of this document
<b>“Application Form”</b>	the application form in respect of the Open Offer accompanying this document
<b>“\$”</b>	Australian dollars, the lawful currency of Australia
<b>“Basic Entitlement”</b>	the pro rata entitlement for Qualifying Participants to subscribe for Open Offer Shares, pursuant to the Open Offer as described in Part III of this document;
<b>“Computershare”</b>	Computershare Investor Services PLC, receiving agents to the Company and depositary for the DIs
<b>“Company” or “Group” or “Scotgold”</b>	Scotgold Resources Limited (ABN 42 127 042 773) and whose registered office address is Suite 4, 189 Stirling Highway, Nedlands, Western Australia, 6009
<b>“CREST”</b>	the Relevant System for the paperless settlement of share transfers and the holding of shares in uncertified form in respect of which Euroclear is the Operator (as defined by the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (as amended) (SI 2001/3755)
<b>“Depository Interest” or “DI”</b>	the depository interests issued by Computershare representing Ordinary Shares
<b>“DI Holders”</b>	holder of depository interests
<b>“Directors” or the “Board”</b>	the board of directors of the Company
<b>“Enlarged Issued Share Capital”</b>	the issued ordinary share capital of the Company as enlarged following the Fundraising and assuming the maximum number of Open Offer Shares are issued
<b>“Euroclear”</b>	Euroclear UK & International Limited, the operator of CREST
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Participants may apply for any number of Open Offer Shares in excess of their Basic Entitlement provided they have agreed to take up their Basic Entitlement in full

<b>“Excess Open Offer Entitlement(s)”</b>	in respect of each Qualifying Shareholder, the entitlement (in addition to his/her/its Basic Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him/her/it taking up his/her/its Basic Entitlement in full;
<b>“Existing Ordinary Shares”</b>	the 67,101,751 existing Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
<b>“FCA”</b>	the Financial Conduct Authority
<b>“Financial Promotion Order”</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“Fundraising”</b>	the Subscriptions and the Open Offer
<b>“Issue Price”</b>	15 pence per New Ordinary Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Maximum Allocation”</b>	10,065,262 new Ordinary Shares at the Issue Price which is equivalent to £1.5 million available to be issued pursuant to the Open Offer
<b>“New Ordinary Shares”</b>	the Open Offer Shares and the Subscription Shares
<b>“Open Offer”</b>	the offer of the Open Offer Shares on the terms and conditions set out in this document and the Application Form accompanying this document
<b>“Open Offer Shares”</b>	new Ordinary Shares to be issued to Qualifying Participants under the Open Offer
<b>“Ordinary Shares”</b>	ordinary shares of no par value in the Company or, where the context requires, DIs
<b>“Overseas Shareholders”</b>	all Shareholders resident in a Restricted Jurisdiction
<b>“£” and “p”</b>	respectively pounds and pence sterling, the lawful currency of the United Kingdom
<b>“Prospectus Rules”</b>	the Prospectus Rules published by the FCA
<b>“Qualifying Participants”</b>	Shareholders on the register of members of the Company or the register of holders of DIs, as applicable, on the Record Date with a registered address in the UK, Ireland or the Channel Islands
<b>“Record Date”</b>	the record date in relation to the Open Offer, being 6.00 p.m. on 20 April 2023

<b>“Regulatory Information Service”</b>	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements
<b>“Relevant System”</b>	has the meaning given in the CREST Regulations
<b>“Restricted Jurisdictions”</b>	means all jurisdictions other than the UK, Ireland or the Channel Islands
<b>“SCC”</b>	Shore Capital and Corporate Limited, the Company’s nominated adviser for the purposes of the AIM Rules
<b>“SCS”</b>	Shore Capital Stockbrokers Limited, the Company’s broker
<b>“Shareholders”</b>	holders of Ordinary Shares or Depositary Interests, as applicable
<b>“Shore Capital”</b>	SCC and/or SCS as the case may be
<b>“Subscribing Directors”</b>	Nathaniel Le Roux, William Styslinger, Peter Hetherington and Ian Proctor
<b>“Subscription”</b>	the subscription for the Subscription Shares at the Issue Price by Maurice Mason and Nicole Mason
<b>“Subscription Shares”</b>	the 3,333,333 new Ordinary Shares to be issued pursuant to the Subscription
<b>“UK” or “United Kingdom”</b>	United Kingdom of Great Britain and Northern Ireland
<b>“US” or “United States”</b>	the United States of America, each state thereof, its territories and possessions, and all areas subject to its jurisdiction

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	6.00 p.m. (BST) on 20 April 2023
Announcement of the Fundraising	21 April 2023
Ex-entitlement for the Open Offer	24 April 2023
Admission of and commencement of dealings on AIM of the Subscription Shares	25 April 2023
Date of this document and posting of the Application Forms	26 April 2023
Entitlements credited to stock accounts in CREST of Qualifying Participants	27 April 2023
Latest time and date for receipt of completed Application Forms	11.00 a.m. (BST) on 12 May 2023
The results of the Open Offer announced by way of a Regulatory Information Service	16 May 2023
Admission of and commencement of dealings on AIM of the Open Offer Shares	8.00 a.m. (BST) on 17 May 2023
CREST accounts expected to be credited for DIs in respect of the Open Offer Shares	17 May 2023

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service.

References to time in this document are to London time unless otherwise stated. AEDT refers to Australian Eastern Daylight Time.

If you have any questions on how to complete the Application Form, please contact Computershare on telephone number 0370 702 0000 (+ 44 370 702 0000 from outside the UK). This helpline is open from 8.30 a.m. to 5.30 a.m. on business days (i.e. Monday to Friday and excluding public holidays) in the UK. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any personal legal, financial or taxation advice.

The Company's SEDOL code is BF7TTV8 and ISIN code is AU000XINEAK5.

## FUNDRAISING STATISTICS

Issue Price	15 pence per Ordinary Share
Number of Existing Ordinary Shares in issue at the date of this document	67,101,751
Number of new Ordinary Shares to be issued pursuant to the Subscription	3,333,333
Issued share capital of the Company following admission of the Subscription Shares	
Basis of Open Offer	3 Open Offer Shares for every 20 Existing Ordinary Shares
Maximum number of new Ordinary Shares to be issued pursuant to the Open Offer	10,065,262
Enlarged Issued Share Capital following the Fundraising <sup>1</sup>	80,500,346
Maximum proceeds of the Open Offer	£1.5 million
Gross proceeds of the Subscription	£0.5 million
Maximum gross proceeds of the Fundraising <sup>1</sup>	£2.0 million
ISIN – Ordinary Shares	AU000XINEAK5
ISIN - Basic Entitlement	AU0000275554
ISIN - Excess Entitlement	AU0000275547

### Notes:

<sup>1</sup> Assuming full take up under the Open Offer and the issue of the Subscription Shares.

## PART I

### Letter from the Chairman

#### Scotgold Resources Limited

*(incorporated and registered in Australia under the Corporations Act  
2001 with registered number ABN 42 127 042 773)*

#### Directors:

Peter Hetherington (Non-Executive Chairman)  
Phil Day (CEO and Executive Director)  
Sean Duffy (CFO and Executive Director)  
William "Bill" Stysinger III (Non-Executive Director)  
Nathaniel Le Roux (Non-Executive Director)  
Richard Barker (Non-Executive Director)  
Ian Proctor (Non-Executive Director)  
Evan Spencer (Non-Executive Director),  
(the "**Board**")

#### Registered Office:

Suite 4, 189 Stirling Highway  
Nedlands WA 6009  
Australia

26 April 2023

Dear Shareholders

### Subscription of 3,333,333 new Ordinary Shares

#### Open Offer of new Ordinary Shares to Qualifying Participants

#### Introduction

On behalf of the Directors, it is my pleasure to offer you the opportunity to participate in an offer for subscription of new Ordinary Shares of Scotgold Resources Limited at the Issue Price (being 15 pence per Open Offer Share).

As announced on 21 April 2023, in addition to the Open Offer, the Company has raised additional funds from the Subscription for, in aggregate, 3,333,333 Subscription Shares in each case at the Issue Price, raising gross proceeds of approximately £0.5 million.

Further details of the Subscription are set out in the announcement made by the Company on 21 April 2023. This announcement and other information about the Company and our recent activities, including our regulatory announcements, investor presentations and financial reports, are available at the Company's website, [www.scotgoldresources.com/investors](http://www.scotgoldresources.com/investors).

To enable Shareholders not able to participate in the Subscription an opportunity to subscribe for additional Ordinary Shares, the Company is proposing to raise an additional up to £1.5 million by way of an Open Offer made to Qualifying Participants of up to 10,065,262 Open Offer Shares at the Issue price on the basis of:

#### 3 Open Offer Share for every 20 Existing Ordinary Shares

registered in the name of each Qualifying Participant at the Record Date and so in proportion for any other number of Ordinary Shares then held. Entitlements to apply to subscribe for Open Offer Shares will be rounded down to the nearest whole number.

Further details in respect of the Open Offer are set out in Part II of this document.

Based on indications received, the Directors expect that the Open Offer will raise minimum gross proceeds of £1.0 million, but also that applications in excess of a Shareholder's allocation will be scaled back with a view to ensuring that Shareholders can subscribe for the same proportion of the Fundraising as their current shareholding, should they apply.

On behalf of the Board, I invite you to consider subscribing for Open Offer Shares in the Open Offer. I take this opportunity to thank you for your ongoing support of the Company.

#### Use of Funds

Notwithstanding operational progress, the Directors of Scotgold feel it would be prudent to raise additional equity funds now, both to procure a resolution definition drill rig (versus using a contractor drill rig) to bolster

grade control modelling for mine planning and for additional working capital (enabling the payment of outstanding creditors), as Cononish continues to be developed towards full production.

As at 31 March 2023, the Group held cash balances of approximately £8k. These funds will be further supplemented by the net proceeds of the Fundraising, providing the Company with additional working capital and enable the payment of outstanding creditors.

Under the Subscription, the Company will receive gross proceeds of approximately £0.5 million (before expenses). The proceeds from the Open Offer will supplement the Subscription proceeds. If the Open Offer is fully subscribed the aggregate gross proceeds to the Company under the Fundraising will be approximately £2.0 million (before expenses).

### Operational update

Long hole stoping commenced on 4 April 2023 and is performing well and in line with management's expectation. The ROM pad had around 400 - 500 tonnes of stope mined ore built up at the beginning of the week commencing the 11th April, as the process plant was offline over the Easter public weekend to comply to the Company's operating licence. This ore and ore which is being delivered to the ROM pad daily, is being processed into gold concentrate and gold doré at the Cononish processing plant (1200 - 1300 tonnes has been processed in the month of April). Since stope mining commenced, the mine is producing consistently and peaked with 28 DUX trucks of ore to ROM pad in a day. The grade of the stope ore is on plan, commencing at 4.9g/t on the first cut and producing gold concentrate at 230 - 300 g/t gold. This grade is expected to improve as we bring the stoping front back into the higher-grade areas of the stope length. Additionally, drones have been flown in the stope block to check the vein from the 415 to 430 drives which show great recovery and continuity of the vein between levels. The subsequent stope blocks to be mined along the 115m stoping length of the eastern section of the 430 West drive increase in grade as we continue to retreat east on plan.

The next stope block will then be prepared (via drilling) and blasted as planned. This stoping length will provide ore to the process plant until August whilst simultaneously work has been ongoing to ensure next ore development tunnel on the 445 level is accessed in May to develop and prepare the next stope mining area.

### The Subscription

The Company has entered into a subscription agreement dated 20 April 2023 with Maurice and Nicole Mason pursuant to which those parties have subscribed directly with the Company for an aggregate of 3,333,333 new Ordinary Shares respectively (together, the "**Subscription Shares**") at the Issue Price (the "**Subscription**") to raise gross proceeds of c. £0.5 million. The Subscription is conditional upon Admission of the Subscription Shares.

The following Directors / PDMRs and Shareholders intend to subscribe in the following minimum amounts as part of the Subscription and Open Offer:

Director / PDMR / Shareholder	Position	Current Sharehold- ing	Subscription Shares Subscribed for	Shareholding Following Subscription Admission <sup>1</sup>	Open Offer Shares subscribed for	Shareholding following Open Offer Admission <sup>2</sup>	% Shareholding Following Open Offer Admission <sup>2</sup>
Nathaniel Le Roux	Non-Executive Director	25,300,474	-	25,300,474	1,666,667	26,967,141	33.50%
William Styslinger	Non-Executive Director	6,762,336	-	6,762,336	666,667	7,429,003	9.23%
Peter Hetherington	Non-Executive Chairman	4,866,974	-	4,866,974	730,046	5,597,020	6.95%
Ian Proctor	Non-Executive Director	1,323,989	-	1,323,989	198,598	1,522,587	1.89%

Maurice and Nicole Mason	Existing shareholders	657,343	3,333,333	3,990,676	3,333,333	7,324,009	9.10%
Charles Outhwaite	Significant shareholder	2,134,921	-	2,134,921	320,238	2,455,159	3.05%

1. Assuming no Ordinary Shares are issued between the date of this announcement and Admission
2. Assuming the Open Offer is fully taken up and no Ordinary Shares are issued between the date of this announcement and the Admission of the New Ordinary Shares.

Further details of the Subscription can be found in the announcement made by the Company on 21 April 2023, <https://www.scotgoldresources.com/wp-content/uploads/2023/04/Scotgold-Announcement.pdf>

### Related Party Transaction

The participation of the Subscribing Directors in the Open Offer constitutes a related party transaction pursuant to AIM Rule 13 (the "**Open Offer Related Party Transaction**"). The independent Directors consider, having consulted with Shore Capital and Corporate Limited, the Company's nominated adviser, that the terms of the Open Offer Related Party Transaction are fair and reasonable insofar as Shareholders are concerned.

### Working capital

For the period ended 31 December 2022 the Group recorded a loss of \$9.5 million (2021: \$5.6 million) and had a working capital deficiency of \$4.8 million (2021: \$13.0 million). The Group recorded net operating cash outflows of \$0.1 million for the financial period (2021: \$1.7 million). The cash position of the Company as at 31 March 2023 was £8k.

These conditions indicate a material uncertainty that may cast significant doubt over the ability of the consolidated entity to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

The ability of the consolidated entity to continue as a going concern over the long term will remain dependent on the quantity and grade of ore mined and processed being within a reasonable tolerance of the forecast quantity and grade and adherence to the planned product shipment schedule.

The Group also recognises the inherent operational risks (such as mining fleet availability, processing plant recovery and environmental accidents and disputes) and macro-economic factors (such as the gold price and foreign exchange movements) which could further impact the Group's ability to continue as a going concern.

### The Open Offer

The Directors have considered the best way to structure the Open Offer, having regard to the extent to which there are Overseas Shareholders, the regulatory requirements applicable to companies quoted on AIM, cost implications and market risks. After considering these factors, the Directors have concluded that the most suitable structure for the Open Offer, for both the Company and its Shareholders as a whole, is that the Open Offer be made only to Qualifying Participants who are not resident or located in any Restricted Jurisdiction.

The Company confirms that it will provide an opportunity for existing Shareholders who are Qualifying Participants to subscribe for up to 10,065,262 new Open Offer Shares at the Issue Price which will raise a minimum further £1.0 million and up to a maximum of £1.5 million. Together the Subscriptions and the Open Offer are defined as the Fundraising.

Subject to the fulfilment of the terms and conditions referred to in this document and, where relevant, set out in the Application Form, Qualifying Participants are being given the opportunity to apply for Open Offer Shares at a price of 15 pence per Offer Share, free of expenses, payable in full, in cash on application, on the basis of:

### 3 Open Offer Shares for every 20 Existing Ordinary Shares

registered in the name of each Qualifying Participant at the Record Date and so in proportion for any other number of Ordinary Shares then held. Entitlements to apply to subscribe for Open Offer Shares will be rounded down to the nearest whole number.

Qualifying Participants may apply for more or fewer Open Offer Shares than they are entitled to under the

Open Offer and applications in excess of the Basic Entitlements will be dealt with under the Excess Application Facility.

- Maurice and Nicole Mason have undertaken to the Company to subscribe for an aggregate of 3,333,333 Open Offer Shares, equivalent to c. £0.5 million, in the Open Offer under the Basic and the Excess Application Facility.
- Peter Hetherington has undertaken to the Company to subscribe for a minimum of 730,046 Open Offer Shares, equivalent to c. £109,507, in the Open Offer.
- Ian Proctor has undertaken to the Company to subscribe for a minimum of 198,598 Open Offer Shares, equivalent to c. £29,790, in the Open Offer.
- Nathaniel Le Roux has undertaken to the Company to subscribe for a minimum of 1,66,667 Open Offer Shares, equivalent to c. £250,000 in the Open Offer.
- William Styslinger has undertaken to the Company to subscribe for a minimum of 666,667 Open Offer Shares, equivalent to c. £100,000 in the Open Offer.
- Charles Outhwaite has undertaken to the Company to subscribe for a minimum of 320,238 Open Offer Shares, equivalent to c. £48,036, and his full Basic Entitlement in the Open Offer.

As such, the Company expects that the Open Offer will raise minimum gross proceeds of £1.0 million.

The Board reserves the right to accept, reject or partially accept applications in its absolute discretion.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Basic Entitlements, such applications will be scaled back pro-rata to the number of Excess Shares applied for by Qualifying Participants under the Excess Application Facility.

In order to apply for Open Offer Shares, Qualifying Participants should complete the enclosed Application Form in accordance with the instructions set out on it and return it and the appropriate remittance, by post, to Computershare Investor Services PLC, Corporate Action Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom, together, in each case, with payment in full, so as to be received no later than 11.00 a.m. (BST) on 12 May 2023.

Any Qualifying Participant who is a Depositary Interest holder applying for Open Offer Shares under the Open Offer hereby agrees that, if their application is successful, any such Open Offer Shares will be issued to Computershare Clearing Pty Ltd who will hold them pursuant to the terms of the Scotgold depositary interest trust deed and will credit the Depositary Interest holder's account in CREST with the applicable number of Depositary Interests.

All other Qualifying Participants whose applications are successful will receive certificated Ordinary Shares. The Open Offer is not being underwritten.

#### **Actions to be taken**

Qualifying Participants wishing to participate in the Open Offer should carefully read the Application Form and accompanying instructions, together with Parts II and III of this document, the announcement made by the Company on 21 April 2023, and send completed Application Forms along with the appropriate remittance to Computershare at the address specified in the instructions. DI Holders should refer to the Instructions for depositary interest holders in Parts IV of this document for details of how to apply through CREST.

Yours faithfully,

**Peter Hetherington**  
*Chairman*

## **PART II**

### **Risk Factors**

Investors should be aware of the risks associated with an investment in the Company. An investment in the Company may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser under FSMA, who specialises on advising on this type of investment.

Investors should carefully consider whether an investment in the Company is suitable in light of their personal circumstances and the financial resources available to them.

Accordingly, when evaluating whether to invest in the Company, prospective investors should carefully consider the risks described below. If any of the following risks were to materialise, the Group's business, financial condition, results, prospects and/or future operations could be materially adversely affected. In such case, the market price of the Company's shares might decline, and investors might lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have a material adverse effect upon the Company. No inference ought to be drawn from the order in which the following risk factors are presented as to their relative importance or potential effect.

#### **General Risks**

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest. Investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested. The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

#### **Funding**

While the funds raised under the Subscription and Open Offer are considered sufficient to meet the current objectives of the Company, additional funding may be required to further develop the Cononish Project and to fund the Company's other exploration and other corporate activities until such time as the Cononish Project generates sufficient free cashflow to support these activities.

The Company will consider its position on a continuous basis and may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of planned activities and future developments. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Any failure in (i) securing a strategic investor(s) (ii) the Company's continued capital raising program or (iii) the performance of the Cononish Project, will impact adversely on the Company's operations, financial performance and financial position. There can be no assurance that the Company will be able to satisfy all of the above matters.

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the net proceeds of the Subscription, the Open Offer and the revenue that the Company expects to generate over the period, the working capital available to the Company is sufficient for its current requirements. The Company may need to raise further funds in the future. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions. In addition, there can be no assurance that the Company will be able to raise additional funds when needed or that such funds will be available on terms favourable to it. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its operations and/or cease trading.

The current cash position of the Company is shown in Part I of this document.

#### **Dependence on key personnel**

Scotgold's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Scotgold's future also depends on the continued contributions of its executive management team

and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract qualified personnel could have a material adverse effect on Scotgold's business. There is also the risk that Scotgold's management may not be able to implement the business strategy, which may adversely affect future performance.

### **Foreign exchange**

The Company's projects are located in Scotland and as such the Company's operating expenses will be incurred principally in Pounds sterling. The Company's registered office is located in Australia and therefore the Company's cashflows are directly affected by the £/\$ exchange rate. The Group's revenue is generated predominately in US dollars. Movements in the exchange rates between these currencies may adversely or beneficially affect the Company's results or operations and cash flows.

### **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

### **Tenement application and licence renewal**

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. The Company has yet to receive regulatory and environmental approval to convert its exploration licences into production concessions. There is a risk that these approvals may not be obtained. Several of the Company's mining properties are subject to applications for extension.

## **Industry Risks**

### **Exploration**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

### **Mine Development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

Now the Company is in production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

## **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

## **Resource Estimates**

In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

## **Operating cost risk**

Operating costs are based on estimates by the Directors having reference to similar operations and the Company's financial modelling. Actual costs may be higher or lower. Higher costs will have an impact on the Company's results as may a variety of other factors outside of the Company's control, such as increased competition and slower than expected take-up by customers of the Company's products.

## **Environmental risk**

The operations and proposed activities of the Company are subject to regulation in Scotland concerning the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

## **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

## **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

## **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

## **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Scotland may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

## **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

## **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## **Dilution**

Shareholders' proportionate ownership and voting interest in the Company will be reduced pursuant to the Subscription. In addition, to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission of the New Ordinary Shares, be reduced accordingly.

## **Volatility of share price**

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance. The following factors, in addition to other risks described in this document, may have a significant effect on the market price of the Ordinary Shares:

- variations in operating results;
- actual or anticipated changes in the estimates of operating results or changes in stock market analyst recommendations regarding the Ordinary Shares, other comparable companies or the industry generally;
- market conditions in the industry, the industries of customers and the economy as a whole;
- actual or expected changes in the Company's growth rates or competitors' growth rates;
- changes in the market valuation of similar companies;
- trading volume of the Ordinary Shares;
- sales of the Ordinary Shares by the Directors or other Shareholders; and
- adoption or modification of regulations, policies, procedures or programmes applicable to the Company's business.

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

## **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Ordinary Shares offered under this document.

Therefore, the New Ordinary Shares to be issued pursuant to this document carry no guarantee with respect

to the payment of dividends, returns of capital or the market value of those New Ordinary Shares. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Securities pursuant to this document.

## PART III

### Details of the Open Offer

#### The Open Offer

The Open Offer comprises an offer to Qualifying Participants of the Open Offer Shares with the maximum number of Ordinary Shares to be issued under the Open Offer limited to the Maximum Allocation. Qualifying Participants can apply for any number of Open Offer Shares up to the Maximum Allocation. However, the Directors reserve the right to exercise their discretion in the allocation of successful applications, including, without limitation, to ensure that the Maximum Allocation is not exceeded.

The Open Offer is only open to Qualifying Participants. Qualifying Participants, who are joint shareholders may only apply for Open Offer Shares as joint applicants.

The Open Offer will close at 11.00 a.m. (BST) on 12 May 2023 unless previously closed or extended. The Open Offer is not being underwritten.

The Application Form and accompanying procedure for application sets out, in detail, how Qualifying Participants may participate under the Open Offer.

Applications must be made on the terms and conditions set out in Part III of this document and in the Application Form and by duly completing and returning the Application Form and appropriate remittance, which will be banked by Computershare upon receipt.

DI Holders should refer to the Instructions for depositary interest holders in Parts IV of this document for details of how to apply through CREST.

#### Dealings and Settlement on AIM

The Open Offer Shares will be allotted and issued fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Admission of the Open Offer Shares to trading on AIM is expected to occur at 8.00 a.m. (BST) on 17 May 2023.

#### Prospectus Rules and Financial Promotion Order

Since the number of Ordinary Shares to be issued under the Open Offer is limited to the Maximum Allocation, the Open Offer does not constitute an offer of transferable securities to the public within the meaning of the Prospectus Rules and, as such, this document does not constitute a prospectus.

Furthermore, this document is exempt from the general restriction contained in section 21 of the FSMA relating to the communication of invitations or inducements to engage in investment activity on the grounds that it is being made available by the Company only to Qualifying Participants. Accordingly, the Open Offer is only capable of being accepted by Qualifying Participants. As this document relies on the exemption set out in Article 43 of the Financial Promotion Order (non real time communications by or on behalf of a body corporate to members of that body corporate), it has not been drawn up in accordance with the FCA's Handbook or its Conduct of Business Sourcebook.

#### Overseas Shareholders

Not all Shareholders will be Qualifying Participants. Overseas Shareholders who are located in, or who are citizens or residents of, or have a registered address in a Restricted Jurisdiction will not qualify to participate in the Open Offer.

The distribution of this circular and the Application Form and the making to, or acceptance of the Open Offer from, persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK, Ireland or the Channel Islands or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than those jurisdictions may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. The comments set out in this section are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this circular (or any other offering or publicity materials or Application Form(s)) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Application Forms will not be sent to persons with registered addresses or located in a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this circular and/or an Application Form in any territory other than the United Kingdom, Ireland or the Channel Islands may treat the same as constituting an invitation or offer to him or her nor should he or she in any event use any such Application Form in the relevant territory unless such an invitation or offer could lawfully be made to him or her and such Application Form and could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company nor any of its representatives is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this circular and/or an Application Form in connection with the Open Offer or otherwise, should not distribute or send either of those documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this circular and/or an Application Form is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements.

The Company reserves the right, but shall not be obliged, to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares to a member whose registered address would be in a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom, Ireland or the Channel Islands in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this circular or the Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this circular or the Application Form into any Restricted Jurisdiction. Receipt of this circular and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## PART IV

### Terms and Conditions of the Open Offer

- (a) The contract created by the acceptance by the Company (at the discretion of the Directors) of applications from Qualifying Participant(s) under the Open Offer is conditional upon (i) Admission of the Subscription Shares occurring on 25 April 2023 (or such later date, being not later than 30 April 2023, as the Company and Shore Capital may decide); and (ii) Admission of the Open Offer Shares.
- (b) The right is reserved by the Company to present all cheques and bankers' drafts for payment on receipt on which no interest will be payable to the applicant(s) and to retain surplus application monies pending clearance of successful applicants' cheques. The Company also reserves the right to reject, in whole or in part, any application. If any application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof, will be returned by crossed cheque in favour of the applicant(s), through the post at the sole risk of the person entitled thereto on which no interest will be payable, within seven days of the closing of the Open Offer.
- (c) By completing and delivering an Application Form each Qualifying Participant who applies for Open Offer Shares:
  - (i) offers to subscribe for the amount of Open Offer Shares specified in such applicant's Application Form (or such lesser amount for which such applicant's application is accepted) on the terms of, and subject to, this document, including (without limitation) these terms and conditions, and the constitution of the Company and the terms and conditions set out in the Application Form;
  - (ii) represents and agrees that, in consideration of the Company agreeing that it will not prior to the closing date of the Open Offer issue any Open Offer Shares to any person other than by means of the procedures referred to in this document, such applicant's application shall not be revoked and this paragraph shall constitute a collateral contract between such applicant and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, Computershare of such applicant's Application Form;
  - (iii) represents and warrants that such applicant's remittance will be honoured on first presentation and agrees that, if it is not so honoured, such applicant will not be entitled to receive the Open Offer Shares applied for unless and until such applicant makes payment in cleared funds for such Open Offer Shares and such payment is accepted by the Company in its absolute discretion (which acceptance may be on the basis that such applicant indemnifies the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection, with the failure of such applicant's remittance to be honoured on first presentation) and such applicant agrees that, at any time prior to the unconditional acceptances by the Company, the Company may (without prejudice to any other rights(s)) avoid the agreement to issue such Open Offer Shares and may issue such Open Offer Shares to some other person, in which case such applicant will not be entitled to any payment in respect of such Open Offer Shares;
  - (iv) agrees that, in respect of those Open Offer Shares for which such applicant's application has been received and is not rejected, acceptance of such applicant's application shall be constituted, at the election of the Company, by notification of acceptance thereof to Computershare;
  - (v) agrees that any monies returnable to such applicant may be retained by Computershare pending clearance of such applicant's remittance and the completion of any verification of identity required by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2019 (the "**Regulations**") and/or any amendment, modification, and/or re-enactment of the same and that such monies will not bear interest;
  - (vi) agrees that, in the case of Depositary Interest holders only, if such applicant's application is successful, any Open Offer Shares to be issued to such applicant will be issued to Computershare Clearing Pty Ltd who will hold them pursuant to the terms of the Scotgold depositary interest trust deed and will credit such applicant's CREST account with the applicable number of Depositary Interests;

- (vii) authorises Computershare to credit the appropriate CREST account in respect of the number of Open Offer Shares, or DIs in respect of such Open Offer Shares, for which such applicant's application is accepted and/or to send a crossed cheque for any monies returnable, by post, at the sole risk of the person entitled thereto to the address of the person named as the applicant in the Application Form;
  - (viii) represents and warrants that, if such applicant signs an Application Form on behalf of somebody else, such applicant has due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose such applicant's power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
  - (ix) agrees that all applications, acceptances of applications and contracts resulting therefrom under the Open Offer shall be governed by and construed in accordance with English law, and that such applicant submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
  - (x) confirms that, in making such application, such applicant is not relying on any information, representation and/or warranty in relation to the Company other than the information contained in this document and accordingly such applicant agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information, representation and/or warranty;
  - (xi) agrees that, having had the opportunity to read this document, such applicant shall be deemed to have had notice of all information and representations concerning the Company contained herein;
  - (xii) in the case of any Qualifying Participant who is a joint Shareholder, agrees that such joint Shareholder applicant may only apply for Open Offer Shares as joint applicants;
  - (xiii) confirms, represents and warrants that such applicant has read and complied with paragraph (d) below;
  - (xiv) represents and warrants that such applicant is not resident in a Restricted Jurisdiction;
  - (xv) represents and warrants that such applicant is not a person who, by virtue of being resident in, or a citizen of, any country outside the United Kingdom, is prevented by the law of any relevant jurisdiction from lawfully applying for Open Offer Shares;
  - (xvi) represents and warrants that such applicant is a Qualifying Participant;
  - (xvii) confirms, represents and warrants that such applicant has read the restrictions contained in paragraph (e) below and represents and warrants as provided therein;
  - (xviii) represents and warrants that such applicant is not under the age of 18;
  - (xix) represents and warrants that such applicant is a person of the kind described in Article 43 of the Financial Promotion Order, being a Shareholder at the Record Date; and
  - (xx) agrees that all documents and cheques sent by post, by or on behalf of the Company or Computershare, will be sent at the risk of the person(s) entitled thereto.
- (d) All payments must be in pounds sterling and made by cheque or banker's draft made payable to "CIS PLC RE: Scotgold Open Offer A/C" and crossed "A/C Payee Only". Cheques should be drawn on the personal account to which the applicant has sole or joint title to such funds. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page the Application Form.

The Company reserves the right to instruct Computershare to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before all of the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account.

If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as reasonably practicable following the lapse of the Open Offer.

- (e) To ensure compliance with the Regulations, Computershare may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements").

If Computershare determines that the verification of identity requirements apply to any application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. Computershare is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any application and whether such requirements have been satisfied, and neither Computershare nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Computershare has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

The verification of identity requirements will not usually apply:

- if the applicant is an organisation required to comply with the Fifth Money Laundering Directive ((EU) 2018/843) of the European Parliament) on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; and
- if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £12,900).

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- i. if payment is made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right-hand corner the following applies. Cheques should be made payable to "CIS PLC RE: Scotgold Open Offer A/C" in respect of an application by a Qualifying Participant and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. However, third party cheques will be subject to the Regulations which would delay applicants receiving their Open Offer Shares. The account name should be the same as that shown on the Application Form; or
- ii. if the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £12,900) or more and is/are lodged by

hand by the applicant in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the applicant and the accompanying payment is a banker's draft or building society cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of identity of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case, Computershare has not received evidence satisfactory to it as aforesaid, Computershare may, at its absolute discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

No person receiving a copy of this document and/or any Application Form in any territory may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person wishing to make an application hereunder to satisfy themselves as to full observance of the laws of any relevant territory in connection therewith, including (without limitation) obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

- (f) The Open Offer Shares have not been and will not be approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorised passed upon or endorsed the merit of the Open Offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. The Open Offer Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) or under the securities laws of any state or other jurisdiction in the United States, neither do they qualify for distribution under any of the relevant securities laws of any other Restricted Jurisdiction, nor has any prospectus in relation to the Open Offer Shares been lodged with or registered by the Australian Securities and Investments Commission. Persons subscribing for Open Offer Shares shall be deemed, and (unless the Company is satisfied that Open Offer Shares can be issued without breach of security laws, including (without limitation) those of any Restricted Jurisdiction) shall be required, to represent and warrant to the Company that they are not a person in the United States and that they are not subscribing for such Open Offer Shares for the account of any such person and will not offer, sell, renounce, take up, transfer or deliver, directly or indirectly, such Open Offer Shares in the United States or to any such person or in or into any other Restricted Jurisdiction.
- (g) Applicants are encouraged to submit their Application Forms early. In the event that applications are received under the Open Offer for an amount in excess of the Maximum Allocation, the Directors reserve the right to exercise their discretion in the allocation of successful applications. The right is also reserved to reject in whole or in part any application or any part thereof for any reason whatsoever, including (without limitation) a breach of any of the terms, conditions, representations and/or warranties set out in this document and/or the Application Form and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form.
- (h) Save where the context otherwise requires, words and expressions defined in this document have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

## INSTRUCTIONS FOR DI HOLDERS

DI Holders will have both Basic entitlements (“**Basic Entitlement**”) and Excess entitlements (“**Excess Entitlement**”) credited to your stock account in CREST in respect of your entitlements under the Open Offer.

DI Holders who want to apply for New Ordinary Shares in respect of all or some of their Basic Entitlement and Excess Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear UK & Ireland Limited

(**“Euroclear”**) which, on its settlement, will have the following effect:

- i. the crediting of a stock account of the Shareholders, as receiving agent, under the participant ID and member account ID specified below, with a number of Basic Entitlements and/or Excess Entitlements corresponding to the number of New Ordinary Shares applied for; and
- ii. the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Computershare Investor Services PLC (**“Depositary”**), in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of New Ordinary Shares referred to in paragraph (a)(i) above.

**(a) Content of USE instruction in respect of Basic Entitlements**

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

- i. The number of New Ordinary Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Depositary);
- ii. The ISIN of the Basic Entitlement. This is AU0000275554;
- iii. The CREST participant ID of the accepting CREST member;
- iv. The CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- v. The participant ID of the Depositary in its capacity as Receiving Agent. This is 3RA30
- vi. The CREST member account ID of the Depositary in its capacity as Receiving Agent. This is SCOTGOLD
- vii. The amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in paragraph (b)(i) above;
- viii. The intended settlement date. This must be on or before 11:00 a.m. (BST) on 12 May 2023; and
- ix. The Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
  - a) In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11:00 a.m. (BST) on 12 May 2023.
  - b) In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:
- x. A contact name and telephone number (in the free format shared note field); and
- xi. A priority of at least 80.

**(b) Content of USE instruction in respect of Excess Entitlements**

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

- i. The number of New Ordinary Shares for which the application is being made (and hence the number of the Excess Entitlement(s) being delivered to the Depositary in its capacity as Receiving Agent);

- ii. The ISIN of the Excess Entitlement. This is AU0000275547;
- iii. The CREST participant ID of the accepting CREST member;
- iv. The CREST member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;
- v. The participant ID of the Depositary in its capacity as Receiving Agent. This is 3RA30;
- vi. The member account ID of the Depositary in its capacity as Receiving Agent. This is SCOTGOLD;
- vii. The amount payable by means of a CREST payment on settlement of the USE instruction. This must be The full amount payable on application for the number of New Ordinary Shares referred to in paragraph (c)(i) above;
- viii. The intended settlement date. This must be on or before 11:00 a.m. (BST) on 12 May 2023; and
- ix. The Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
  - a. In order for the application in respect of an Excess Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11:00 a.m. (BST) 12 May 2023.
  - b. In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:
    - x. A contact name and telephone number (in the free format shared note field); and
    - xi. A priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 12 May 2023 in order to be valid is 11:00 a.m. (BST) on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess Entitlement security.

### **(c) General**

Subject to the Scotgold Resources Limited Offer Information Statement, each eligible Depositary Interest Holder will receive a credit to their stock account in CREST of their Basic Entitlements of 3 New Ordinary Shares for every 20 Existing Ordinary Shares held which represents his Basic Entitlement and a number of Excess Entitlements equal to the total number of shares available through the Offer. Any fractional entitlements to New Ordinary Shares will be rounded down to the nearest whole number in calculating eligible Shareholders Basic Entitlement & Excess Open Offer Entitlement.

The CREST stock account to be credited will be an account under the participant ID and member account ID that is held on the Record Date by the eligible Shareholder in respect of which the Basic Entitlements and Excess Entitlements have been allocated.

If for any reason the Basic Entitlements and/or Excess Entitlements cannot be admitted to CREST, or the stock accounts of eligible Shareholders cannot be credited, by 8.00 a.m. (BST). on 27 April 2023, or such later time and/or date as the Company may decide, an Application Form will be sent to each eligible Depositary Interest Holder in substitution for the Basic Entitlements and Excess Entitlements which should have been credited to his stock account in CREST.

CREST members who wish to apply to acquire some or all of their entitlements to New Ordinary Shares should refer to the CREST manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Depositary on the shareholder helpline on 0370 702

0000, or, if calling from overseas, +44 370 702 0000. Please note the Depositary cannot provide financial advice on the merits of the Offer or as to whether applicants should take up their Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Ordinary Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

**(d) Market claims**

Each of the Basic Entitlements and the Excess Entitlements will constitute a separate security for the purposes of CREST. Although Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction.

Transactions identified by the CREST Claims Processing Unit as “cum” the Basic Entitlements will generate an appropriate market claim transaction and the Basic Entitlement(s) will thereafter be transferred accordingly.

Excess Entitlements will not be subject to Euroclear’s market claims process. Qualifying CREST Shareholders claiming Excess Entitlements by virtue of a bona fide market claim are advised to contact the Depositary to request a credit of the appropriate number of entitlements to their CREST account.

**(e) Validity of application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11:00 a.m. (BST) on 12 May 2023 will constitute a valid application under the offer.

**(f) CREST procedures and timings**

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11:00 a.m. (BST) on 12 May 2023. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

**(g) Incorrect or incomplete applications**

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Depositary, reserves the right:

- i. to reject the application in full and refund the payment to the CREST member in question, without payment of interest; and
- ii. in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question, without payment of interest; and
- iii. in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question, without payment of interest.

**(h) Effect of valid application**

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- i. represents and warrants to the Company, that they have the right, power and authority, and has taken

all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their Rights, and perform their obligations, under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;

- ii. agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Depositary's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- iii. agrees that all applications under the Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of England and Wales;
- iv. confirms that in making the application they are not relying on any information or representation in relation to the Group other than those contained in this document or any documents incorporated by reference, and the applicant accordingly agrees that no person responsible solely or jointly for this document including any document incorporated by reference or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document including any documents incorporated by reference, they will be deemed to have had notice of all the information in relation to Scotgold Resources Limited contained in this document (including information incorporated by reference);
- v. confirms that in making the application he is not relying and has not relied on the Company's advisors or any other person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- vi. confirms that no person has been authorised to give any information or to make any representation concerning the Company or the New Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company;
- vii. represents and warrants to the Company and the Depositary that they are the eligible Shareholder originally entitled to the Basic Entitlements and Excess Open Offer Entitlements or that they have received such Basic Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim;
- viii. represents and warrants to the Company, the Depositary as Receiving Agent and advisors to the Company that if he has received some or all of his Basic Entitlements and Excess Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Basic Entitlements and Excess Open Offer Entitlements in relation to such Offer Entitlements by virtue of a *bona fide* market claim;
- ix. requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Constitution of the Company;
- x. represents and warrants to the Company, the Depositary and advisors to the Company that he is not, nor is he applying on behalf of any Shareholder who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any jurisdiction in which the application for New Ordinary Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the New Ordinary Shares which are the subject of his application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any jurisdiction in which the application for New Ordinary Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the

invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares under the Open Offer; and

- xi. represents and warrants to the Company, the Depositary, and advisors to the Company that he is not, and nor is he applying as Nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in s93 (depository receipts) or s96 (clearance services) of the Finance Act 1986.

**(i) Company's discretion as to the rejection and validity of applications**

- i. treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 1 paragraph (b) of this document;
- ii. accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- iii. treat a properly authenticated dematerialised instruction (in this sub-paragraph the **"first instruction"**) as not constituting a valid application if, at the time at which the Depositary, receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Depositary has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Ordinary Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Depositary in connection with CREST.

**1. MONEY LAUNDERING REGULATIONS**

**Basic Entitlements and Excess Open Offer Entitlements in CREST**

If you apply for New Ordinary Shares in respect of all or some of your Basic Entitlements and Excess Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Depositary is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Depositary before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Depositary such information as may be specified by the Depositary as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Depositary as to identity, the Depositary may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Ordinary Shares represented by the USE instruction will not be valid. This is without

prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **2. OVERSEAS DEPOSITARY INTEREST HOLDERS**

The distribution of the Offer Information Statement in jurisdictions outside the UK, Ireland and the Channel Islands may be restricted by law and persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these New Ordinary Shares or Depositary Interests, the subject of this document or otherwise permit a public offer of Shares or Depositary Interests or the subject of the Offer Information Statement in any jurisdiction.

It is the responsibility of the applicants outside the UK, Ireland and the Channel Islands to obtain all necessary approvals for the allotment and issue of the New Ordinary Shares or Depositary Interests pursuant to the Open Offer. The submission of valid USE instruction will be taken by the Company to constitute a representation and warranty by the applicant they have obtained all relevant approvals.

## **3. WITHDRAWAL RIGHTS**

Persons wishing to exercise or direct the exercise of statutory withdrawal rights must do so by lodging a written notice of withdrawal within two Business days. The withdrawal notice must include the full name and address of the person wishing to exercise statutory withdrawal rights and, the participant ID and the member account ID of such CREST member. The notice of withdrawal must be deposited by hand only (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE or by facsimile to the Depositary (please call the Depositary on the shareholder helpline on 0370 702 0000, or, if calling from overseas, +44 370 702 0000 for further details) so as to be received within two Business Days. Notice of withdrawal given by any other means or which is deposited with the Depositary after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant person for the New Ordinary Shares applied for in full and the allotment of such New Ordinary Shares to such person becoming unconditional save to the extent required by statute. In such event, Shareholders are advised to seek independent legal advice.

## **4. ADMISSION, SETTLEMENT AND DEALINGS**

The result of the Open Offer is expected to be announced on 16 May 2023. Applications will be made to the relevant authority for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange. It is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. (BST) on 17 May 2023.

The Shareholders are already admitted to CREST. No further application for admission to CREST is accordingly required. All such Shareholders, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. (BST) on 12 May 2023 (being the latest time for applications under the Offer). If the conditions to the Offer described above are satisfied, Depositary Interests will be issued in uncertificated form to those persons who submitted a valid application for Depositary Interests by utilising the CREST application procedures and whose applications have been accepted by the Company. On or around 27 April 2023, the Depositary, are expected to instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to New Ordinary Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send eligible Shareholders an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess Entitlements, and to allot and/or issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Depositary in connection with CREST.

## **5. TIMES AND DATES**

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service approved by the FCA and, if appropriate, Shareholders may not receive any further written communication.

## **6. TAXATION**

The Directors do not consider that it is appropriate to give Shareholders advice regarding taxation consequences of applying for New Ordinary Shares under the terms set out in this document, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders. Shareholders should, therefore, consult their own professional tax advisor in connection with the taxation implications of the New Ordinary Shares offered pursuant to the Open Offer.