

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 9 of this Circular apply throughout this Circular, including this cover (unless the context indicates otherwise).

Action required

This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", which commences on page 6.

If you are in any doubt as to the action you should take arising from this Circular, you should immediately seek your own financial advice from your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this Circular together with its accompanying enclosures at once to the purchaser or transferee, or to the Broker, CSDP, banker, accountant, attorney or other agent through whom the sale or transfer was effected, for the transmission to the purchaser or transferee.

The Company is a closed-ended investment scheme authorised by the Guernsey Financial Services Commission (the "**GFSC**") under Section 8 of the POI Law, as amended, and The Authorised Closed-ended Investment Scheme Rules 2008 made thereunder. The GFSC and the States of Guernsey have not reviewed this Circular and take no responsibility for the correctness of any statements made or opinions expressed with regard to the Company.

The Directors of the Company, whose names appear on page 3 of this Circular, accept responsibility for the information in this Circular. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this fact is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the meaning or effect of such information.

The proposals described in this Circular are conditional on shareholder approval. Notice of the general meeting of the Company (the "**General Meeting**") to be held at The Old Government House, St Ann's Place, St Peter Port, Guernsey, GY1 2NU at 11 a.m. (BST) (12 p.m. (SAST)) on Monday 26 June 2017 is set out in the Notice of General Meeting attached to this Circular. If it is necessary to adjourn that meeting because there is not a quorum, further notice of an adjourned meeting is included in the Notice of General Meeting.

Pallinghurst Resources Limited

(an authorised closed-ended investment company incorporated under The Companies (Guernsey) Law 2008 and registered in Guernsey, with registered number 47656)

(Registered as an external company in South Africa under registration number 2009/012636/10 on 26 June 2009)

Share code on the BSX: PALLRES ISIN: GGOOB27Y8Z93

Share code on the JSE: PGL

CIRCULAR TO PALLINGHURST SHAREHOLDERS INCORPORATING REVISED LISTING PARTICULARS

relating to:

- the proposed acquisition by Pallinghurst of the total issued and to be issued share capital of Gemfields not already held by Pallinghurst;
- the allotment and issue of ordinary shares in Pallinghurst to Gemfields shareholders pursuant to the proposed acquisition;
- the proposed extension of the life of the Company;
- the general authority to repurchase up to 152,090,526 Ordinary Shares;
- the approval of the Pallinghurst Share Plan; and
- the proposed amendments to the Articles;

and incorporating:

- **revised listing particulars in relation to Pallinghurst for the purposes of the JSE Listing Requirements;**

and enclosing:

- **a notice convening the General Meeting; and**
- **a Form of Proxy in respect of the General Meeting (for use by all Bermuda Shareholders, SA certificated Shareholders and SA Dematerialised Shareholders with “own-name” registration only).**

Financial Advisor and Transaction Sponsor



Investment Advisor (London)



Legal Advisors in South Africa



Legal Advisors in Guernsey

MOURANT OZANNES

Legal Advisors in the United Kingdom

WHITE & CASE

Independent Reporting Accountants

Deloitte.

Communications Advisor



All Shareholders of the Company are requested to complete and return their enclosed Form of Proxy for use at the General Meeting in accordance with the instructions printed on it so the form is received by Thursday, 22 June 2017 or not later than 48 hours before the time of an adjourned meeting.

Date of issue: 2 June 2017

This Circular is only available in English. Copies of this Circular may be obtained during normal business hours from the South African registered office of the Company as set out in the “Corporate Information” section of the Circular from the date of issue hereof until the date of the General Meeting.

IMPORTANT LEGAL NOTES

This Circular has been prepared for the purposes of complying with the JSE Listings Requirements, the POI Law and The Authorised Closed-ended Investment Scheme Rules 2008, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa and Guernsey.

The release, publication or distribution of this Circular in jurisdictions other than South Africa and Guernsey may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa and Guernsey should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any such jurisdiction. This Circular does not constitute a prospectus or a prospectus equivalent document. Shareholders are advised to read this Circular, which contains the full terms and conditions of the Offer, with care. Any decision to approve the Offer should be made only on the basis of the information in this Circular.

As the Company is a company incorporated in Guernsey, the rights of Shareholders will be governed by Guernsey law and the Articles. The rights of Shareholders under Guernsey law may differ from the rights of shareholders of companies incorporated in other jurisdictions. Not all rights available to shareholders under South African or English law will be available to the Shareholders. Guernsey law limits the circumstances under which shareholders of companies may bring derivative actions.

REGULATORY NOTIFICATIONS

The GFSC has been notified of the proposed Special Resolution pursuant to the requirements under Part 5 of The Authorised Closed-ended Investment Schemes Rules 2008.

REVISED LISTING PARTICULARS

The information required for the Revised Listing Particulars of the Enlarged Group is included in this Circular. Due to the unsolicited nature of the Offer (and the inability by Pallinghurst to be privy to non-public information leading up to the Offer Announcement) information and disclosures included in this Circular relating to Gemfields and its business have been derived solely from publicly available sources. Accordingly, Pallinghurst has been unable to address all the required disclosures required by the JSE Listings Requirements to the extent that it relates to Gemfields. The JSE has acceded to Pallinghurst not publishing a Competent Persons Report on the mineral assets of Gemfields and the other mineral assets of the Company with this Circular, provided that the Company publishes a Competent Persons Report on the Enlarged Group within four months of the implementation of the Offer.

As a result of the nature of the Offer, described above, Pallinghurst has not had access to information of Gemfields in relation to its working capital position, ongoing or threatened litigation, material contracts, material property (both acquired and disposed of in the last three years), material commitments, principal immovable property owned or leased and information on directors not publicly available.

This Circular is not an invitation to the public to subscribe for shares in Pallinghurst, but is issued in compliance with the JSE Listings Requirements for the purpose of giving information to the public regarding Pallinghurst and to convene a general meeting of Pallinghurst shareholders to consider and, if deemed fit, approve the necessary resolutions required to implement the Offer.

DISCLAIMER

Information included in this Circular relating to Gemfields and its business has been derived solely from publicly available sources.

All information included in this Circular by Pallinghurst regarding Gemfields is based on publicly available information. Although Pallinghurst is not aware of anything that would indicate that statements relating to Gemfields contained in this Circular are inaccurate or incomplete, Pallinghurst is

not in a position to verify information concerning Gemfields. Pallinghurst and its directors and officers are not, to the best of their knowledge and belief, aware of any errors in such information. Accordingly, Pallinghurst and its directors and officers disclaim all liability for information concerning Gemfields included in this Circular. Pallinghurst and its directors do, however, take responsibility for the accurate extraction of the publicly available information on Gemfields and its inclusion in this Circular.

The pro forma financial information presented is not necessarily indicative of the operating results or financial condition that would have been achieved had the Offer been completed during the periods or at the times presented, nor is this information necessarily indicative of future results or conditions of Pallinghurst after the implementation of the Offer.

The pro forma financial information does not reflect the impact of synergies that Pallinghurst expects to realise or the time or the costs associated with the integration of operations necessary to achieve such synergies.

FORWARD-LOOKING STATEMENTS

This Circular includes forward-looking statements. Pallinghurst has based these forward-looking statements on its current expectations and projections about future results. When Pallinghurst uses words in this Circular such as 'anticipates', 'will likely result', 'are expected to', 'will continue', 'believes', 'is anticipated', 'estimates', 'intends', 'plans', 'seeks', 'projects', 'projection', 'will', 'may', 'might', 'expects', 'potential', 'could', 'should', 'outlook' and similar expressions, Pallinghurst does so to identify forward-looking statements. Examples of forward-looking statements include statements Pallinghurst makes regarding its estimates of future levels of Pallinghurst's mineral resources, the future exploration and expansion prospects of Pallinghurst, Pallinghurst's future development prospects resulting from the integration of its acquisitions, Pallinghurst's future levels of cash flows, Pallinghurst's estimated cash costs, Pallinghurst's future capital expenditure levels and expected Rand rates of exchange.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Pallinghurst cautions that forward-looking statements are not guarantees of future performance and that its actual results, financial condition and liquidity, and the development of the industry in which Pallinghurst operates may differ Materially from those made in or suggested by the forward-looking statements contained in this Circular. All of these forward-looking statements are based on estimates and assumptions made by Pallinghurst's management, which, although Pallinghurst believes them to be reasonable, are inherently uncertain. Pallinghurst may not realise any such estimates or statements, and its actual results may differ Materially from those contemplated by such forward-looking statements. Factors which may cause Pallinghurst's actual results, performance or achievements to be Materially different from any future results, performance or achievements expressed or implied by it in those statements include, *inter alia*, the relevant risk factors.

The reader should keep in mind that any forward-looking statement made by Pallinghurst in this Circular or elsewhere speaks only as of the date on which Pallinghurst makes it. New factors that could cause Pallinghurst's business not to develop as it expects may emerge from time to time and it is not possible for Pallinghurst to predict all of them. Further, the operations or the extent to which any factor, or the combination of factors may cause actual results to differ Materially from those contained in any forward-looking statements. Pallinghurst has no duty to, and does not intend to, update or revise the forward-looking statements in this Circular, after the date of this Circular, except as may be required by law.

CORPORATE INFORMATION AND ADVISERS

Directors

Brian Gilbertson – Chairman¹
Arne H. Frandsen – Chief Executive
Andrew Willis – Finance Director
Dr Christo Wiese – Non-Executive Director
Stuart Platt-Ransom² – Non-Executive Director
Martin Tolcher³ – Non-Executive Director
Clive Harris³ – Non-Executive Director
Lumkile Mondli³ – Non-Executive Director

¹ Executive Chairman.

² Lead Independent Non-Executive Director.

³ Independent Non-Executive Director.

Administrator

Vistra Fund Services (Guernsey) Limited
11 New Street
St Peter Port
Guernsey
GY1 2PF
Channel Islands
(Previously Orangefield Legis Fund Services Limited)

Registered Office

Pallinghurst Resources Limited
11 New Street
St Peter Port
Guernsey
GY1 2PF

Registered Office in South Africa

Nexia SAB&T
119 Witch-Hazel Avenue
Highveld Technopark
Centurion
0046
South Africa

General Partner of the Investment Manager

Pallinghurst GP Limited
(Registration number IT181435)
2nd Floor
23-25 Le Pollet
St Peter Port
Guernsey, GY1 1WQ
Channel Islands
(previously Pallinghurst (Cayman) GP Limited)

Financial Advisor and Transaction Sponsor

UBS Limited
(Registration number 2035362)
5 Broadgate
London
EC2M 2QS
United Kingdom

UBS South Africa Proprietary Limited
(Registration number 1995/011140/07)
64 Wierda Road East
Wierda Valley, Sandton, 2196

Investment Advisor (London)

Pallinghurst Advisors LLP
(Registration number OC315855)
1 New Burlington Place
London
W1S 2HR
United Kingdom

Investment Advisor (South Africa)

Pallinghurst Advisors Proprietary Limited
(Registration number 2009/005781/07)
PO Box 12160
Die Boord
Western Cape, 7613
South Africa

Legal Advisor (Guernsey)

Mourant Ozannes
1 Le Marchant Street
St Peter Port
Guernsey
GY1 4HP
Channel Islands

Legal Advisor (South Africa)

Edward Nathan Sonnenbergs Inc.
(Registration number 2006/018200/21)
150 West Street
Sandown
Sandton
Johannesburg
2196
South Africa

Legal Advisor (London)

White & Case LLP
5 Old Broad Street
London
EC2N 1DW
United Kingdom

Company Secretary

Vistra Fund Services (Guernsey) Limited
11 New Street
St Peter Port
Guernsey
GY1 2PF
Channel Islands
(Previously Orangefield Legis Fund Services Limited)

South African Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Independent Reporting Accountants

Deloitte LLP
(Registration number OC303675)
2 New Street Square
London
EC4A 3BZ
United Kingdom

Communications Advisor

CapitalVoice Proprietary Limited
(Registration number 2009/017335/07)
Castel del Monte 02
16 Hume Road
Johannesburg
2196

Pallinghurst**Place of incorporation**

Guernsey

Date of incorporation

4 September 2007

Date of registration as an external company in South Africa

26 June 2009

Gemfields**Place of incorporation**

England & Wales

Date of incorporation

14 May 2004

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 9 of this Circular apply to this section.

This Circular is important and requires your immediate attention. If you are in any doubt as to what action to take, please consult your Broker, CSDP, banker, accountant, attorney or other professional adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this Circular together with its accompanying enclosures at once to the purchaser or transferee of such Shares or to the Broker, CSDP or other agent through whom the sale or transfer was effected, for the transmission to the purchaser or transferee. If you are in any doubt as to the action you should take you should immediately seek your own financial advice from your stockbroker, solicitor, accountant or other appropriately authorised independent financial adviser.

Please take careful note of the following provisions regarding the action required by Shareholders.

VOTING AND ATTENDANCE AT THE GENERAL MEETING

The General Meeting will be held at The Old Government House, St Ann's Place, St Peter Port, Guernsey, GY1 2NU on Monday 26 June 2017, at 11a.m. (BST) (12p.m. (SAST)).

The purpose of the General Meeting is to consider and, if deemed fit, pass the Resolutions, as set out in the Notice of General Meeting attached to this Circular.

To be passed the Ordinary Resolution requires (unless otherwise stated in the Notice of General Meeting) the approval of more than 50% of voting rights attaching to all Ordinary Shares in the Company in attendance and voting at the General Meeting and the Special Resolution requires the approval of not less than 75% of voting rights attaching to all Ordinary Shares in the Company in attendance and voting at the General Meeting.

The quorum for the General Meeting is at least three (3) Shareholders entitled to attend and vote in person or by proxy.

Included with this Circular is a Form of Proxy for use at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting they are requested to complete that Form of Proxy and return it by fax to +44 1481 712167 or by email to fund.enquiries.gg@vistra.com or by post to Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO BOX 61051, Marshalltown, 2107) in due course) by not later than 11a.m. (BST) (12p.m. (SAST)) on Thursday, 22 June 2017. Completion and return of the Proxy Form will not preclude a Shareholder from attending the General Meeting and voting in person if they wish to do so.

If you have Dematerialised your Ordinary Shares other than with "own-name" registration:

Voting at the General Meeting

Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and thereafter will cast your vote in accordance with your instructions.

If you have not been contacted by your Broker or CSDP it would be advisable for you to contact your Broker or CSDP and furnish them with your voting instructions.

If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.

You must **not** complete the attached Form of Proxy.

Attendance and representation at the General Meeting

In accordance with the mandate between you and your Broker or CSDP you must advise your Broker or CSDP if you wish to attend the General Meeting and your Broker or CSDP will issue the necessary letter of representation to you to attend the General Meeting.

If you have not Dematerialised your Ordinary Shares or if you have Dematerialised your Ordinary Shares with “own-name” registration:

You may attend the General Meeting in person and may vote at the General Meeting.

Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions it contains and return it to Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO BOX 61051, Marshalltown, 2107) to be received no later than at 11a.m. (BST) (12p.m. (SAST)) on Thursday, 22 June 2017.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 9 of this Circular apply to this section.

	2017
Record date for posting	Friday, 26 May
Circular incorporating the Notice of General Meeting posted to Shareholders and announced on SENS	Friday, 2 June
Last day to trade in Ordinary Shares on the exchange operated by the JSE in order to be included in the register on the General Meeting Voting Record Date	Monday, 12 June
Last day to trade in Ordinary Shares on BSX in order to be included in the register on the General Meeting Voting Record Date	Monday, 12 June
General Meeting Voting Record Date	Thursday, 15 June
Last day to lodge Forms of Proxy by 11a.m. BST (12p.m. SAST)	Thursday, 22 June
General Meeting to be held at 11a.m. BST (12p.m. SAST) or as soon thereafter as the General Meeting of the Company convened for the same date and place shall have been concluded or adjourned	Monday, 26 June
Results of the General Meeting released on SENS	Monday, 26 June

Notes:

1. These dates and times are subject to change. Any such change will be released on SENS.
2. If the General Meeting is adjourned or postponed, Forms of Proxy must be received by no later than two business days prior to the time of an adjourned or postponed General Meeting, provided that, for the purpose of calculating the latest time by which Forms of Proxy must be received, Saturdays, Sundays and gazetted public holidays in South Africa, the United Kingdom and Guernsey will be excluded.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons:

“Administrator”	the administrator of Pallinghurst, as selected by the Directors from time to time;
“Administration Agreement” . . .	the administration agreement entered into between the Company and the Administrator on 23 June 2014;
“AIM”	the Alternative Investment Market of the London Stock Exchange;
“Articles of Incorporation” or “Articles”	the articles of incorporation of the Company, as amended or replaced from time to time;
“Associates”	with respect to any specified person, a person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the person specified. For the purposes of this definition, the terms “control” and the consequences thereof, means: <ul style="list-style-type: none"> (a) the direct or indirect ownership of in excess of 50% of the equity interests (or interests convertible into or otherwise exchangeable for equity interests) in a person; or (b) the possession of the direct or indirect right to vote in excess of 50% of the voting interest or to elect in excess of 50% of the board of directors or other governing body of a person (whether by equity ownership, contract or otherwise);
“Auditors”	such auditors of international repute as may be appointed by the Directors, currently being Saffery Champness Chartered Accountants;
“Bermuda Shareholders”	the holders of the Bermuda Shares from time to time;
“Bermuda Shares”	the Ordinary Shares listed on the BSX;
“Broker”	stockbroker as defined in the Financial Markets Act;
“Brownfields Opportunities” . . .	opportunities related to operations or assets which may be expanded, improved or strategically repositioned;
“BSX”	the Bermuda Stock Exchange;
“BSX Register”	the register of Shareholders whose Ordinary Shares are traded on the BSX and is maintained by the Administrator in Guernsey;
“Business Day”	means a day other than a Saturday, Sunday or official public holiday in Guernsey, Bermuda or South Africa;
“Category 1”	a category 1 transaction as that term is defined in the JSE Listings Requirements;
“Cause”	means: <ul style="list-style-type: none"> • fraud; or • wilful misconduct; or • gross negligence; or • bad faith; or • reckless disregard for a person’s obligations and duties,

	which, in each case, has a material effect on the Company and/or its investors;
"Circular"	this Circular, dated Friday 2 June 2017, including the annexures and appendices thereto;
"Companies Act"	the UK Companies Act 2006;
"Company" or "Pallinghurst"	means Pallinghurst Resources Limited, an authorised closed-ended investment company duly registered and incorporated in accordance with Guernsey law (registration number 47656), and registered as an external company in South Africa (registration number 2009/012636/10), and whose Shares are listed on the JSE and BSX;
"Competent Persons Report"	the public report prepared on mineral assets and projects in accordance with the provisions of the JSE Listings Requirements;
"Communications Advisor"	means CapitalVoice Proprietary Limited, (registration number 2009/017335/07), a private company duly registered and incorporated in accordance with the laws of South Africa;
"Conditions"	the conditions to the Offer set out in the Offer Document;
"CSDP"	a participant, as that term is defined in the Financial Markets Act, duly authorised by a central securities depository in terms of the depository rules pursuant to section 31 of the Financial Markets Act;
"Dematerialised" or "Dematerialisation"	means the process by which certificated shares are converted to or held in an electronic form as uncertificated securities in terms of the Strate System of the JSE and recorded in the sub-register of Shareholders maintained by a broker or CSDP, evidencing ownership of shareholding in electronic format and which shares may be traded on the JSE;
"Dematerialised Shares"	Ordinary Shares that have been Dematerialised;
"Directors" or the "Board"	the board of directors of Pallinghurst and "Director" may mean any one of the Directors as the context may require;
"Enlarged Group"	the Pallinghurst Group and the Gemfields Group;
"Executive Directors"	means Brian Gilbertson, Arne H. Frandsen and Andrew Willis;
"Financial Advisor"	means UBS Limited and its affiliates;
"Financial Markets Act"	the South African Financial Markets Act No. 19 of 2012, as amended;
"Form of Proxy"	the form of proxy attached to and forming part of this Circular in respect of the General Meeting and for use by all Shareholders with "own-name" registration only;
"Gemfields"	means Gemfields plc (registration number 05129023), a public company duly registered and incorporated in accordance with the laws of England and Wales and whose shares are listed on AIM;
"Gemfields AFS"	the Gemfields Annual Report and Financial Statements for the financial year ending 30 June 2016 which are publicly available on Gemfields' website at www.gemfields.co.uk ;
"Gemfields Group"	Gemfields and all entities controlled by Gemfields;

"Gemfields Interim Report"	the Gemfields plc Interim Report and Financial Statements for the six months ended 31 December 2016 which are publicly available on Gemfields' website at www.gemfields.co.uk ;
"Gemfields Shares"	ordinary shares in Gemfields with a nominal value of £0.01 each;
"Gemfields Shareholders"	the holders of Gemfields Shares from time to time;
"General Meeting"	the general meeting of Pallinghurst Shareholders to be held at The Old Government House, St Ann's Place, St Peter Port, Guernsey, GY1 2NU on Monday 26 June 2017;
"GFSC"	the Guernsey Financial Services Commission;
"Group" or "the Group"	Pallinghurst and all entities controlled by Pallinghurst (its subsidiaries) and its Associates and joint ventures;
"Guernsey"	the Bailiwick of Guernsey;
"Guernsey Law"	the Companies (Guernsey) Law, 2008, as amended from time to time together with any regulations or ordinances made thereunder;
"IFRS"	the International Financial Reporting Standards as adopted by the International Accounting Standards Board (and as amended from time to time);
"IMB"	the Investment Manager's Benefit, which is currently US\$1.4 million per quarter, which amount fluctuates in line with acquisitions, disposals and changes in valuations;
"Indemnified Person"	means any director, employee or partner, as the case may be, of the Investment Manager and their respective Associates and includes any Nominated Director;
"Investment(s)"	any investment, asset or other interest acquired by Pallinghurst (whether for consideration in cash or securities or assets of existing Investments or otherwise) falling within the Investment Scope, including but not limited to shares, debentures, loan stock or other securities of and loans (whether secured or unsecured) made to any body corporate or other entity;
"Investment Manager"	Pallinghurst (Cayman) GP L.P. an exempted limited partnership registered in the Cayman Islands (registration number WK19200) which registered office is at 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005 Cayman Islands;
"Investment Management Agreement"	the agreement, as amended from time to time, entered into between the Company and the Investment Manager on 5 September 2007, appointing the Investment Manager to act in the capacity as investment manager to the Company;
"Investment Policy"	the investment policy of the Company from time to time and as detailed in the Articles;
"Investment Scope"	the investment scope of the Company from time to time and as detailed in the Articles;
"Investment Vehicle"	a body corporate or other entity in which the Company holds, directly or indirectly through Associates, together with certain Strategic Equity Partners, on a case-by-case basis, an Investment;
"Irrevocable Undertakings"	the agreements, entered into between Pallinghurst and certain of its Shareholders, in terms of which they have undertaken, subject to certain conditions, to vote in favour of the Resolutions;

"ISIN"	the international securities identification number;
"Jupiter"	Jupiter Mines Limited, a public company duly incorporated in accordance with the laws of Australia;
"JSE"	JSE Limited, registration number 2005/022939/06, a public company incorporated under the laws of South Africa and licensed as an exchange under the Financial Markets Act;
"JSE Listings Requirements" . . .	the listings requirements of the JSE, as amended from time to time by the JSE;
"Key Executives"	means Priyank Thapliyal, Arne H. Frandsen and Sean T Gilbertson and any person approved as a Key Executive in addition to, or as a replacement of, a Key Executive;
"Key Man Event"	means: <ul style="list-style-type: none"> • the Senior Key Executive or two Key Executives failing to devote substantially all of his/their professional time to the business and affairs of the Program; or • the death or permanent disability of the Senior Key Executive or any two of the Key Executives; or • the Senior Key Executive or two Key Executives, ceasing to be an executive(s) of the Investment Manager; or • Cause exists with respect to the Senior Key Executive and one or more Key Executives;
"Last Practicable Date"	the last practicable date for information to be obtained prior to the finalisation of this Circular, being Wednesday 17 May 2017;
"Material"	when used in conjunction with an event, condition, circumstance, effect or other item, means that there is a substantial likelihood that a reasonable expert would attach importance to the event, condition, circumstance, effect or item in evaluating the party to which it relates and/or the event, condition, circumstance, effect or item contemplated in the agreement;
"Management Shares"	the non-redeemable shares with a par value of US\$1.00 each in the share capital of the Company;
"Middle Market Price"	the average of the best offer to buy and the best offer to sell of an Ordinary Share in any trading day on the JSE and as reflected in the official price list published by the JSE;
"New Pallinghurst Ordinary Shares"	up to 634,058,042 Ordinary Shares of the Company proposed to be issued in connection with the Offer which, for the avoidance of doubt, excludes any Ordinary Shares to be issued pursuant to the Pallinghurst Share Plan;
"Nominated Director"	means any person nominated by the Investment Manager to be a director of, or to observe the board of directors of, an Investment Vehicle;
"Notice of General Meeting" . . .	the notice of General Meeting forming part of this Circular;
"Offer"	the takeover offer made by or on behalf of the Company to acquire the total issued and to be issued share capital of Gemfields not already owned by the Company in accordance with the Takeover Code;
"Offer Announcement"	the announcement by Pallinghurst of the intention to make the Offer which was released on Friday 19 May 2017;
"Offer Document"	the document sent to Gemfields Shareholders and certain others which contains, <i>inter alia</i> , the terms and Conditions of

	the Offer and certain information about Gemfields and Pallinghurst;
"Ordinary Resolution"	the Ordinary Resolution set out in the Notice of General Meeting, to be approved by the requisite majority of Shareholders at the General Meeting;
"Ordinary Shares"	ordinary shares in the Company with a par value of US\$0.00001 each;
"Pallinghurst Co-Investors"	investors to whom the Investment Manager acts on behalf of and who co-operate to achieve the broader strategic objectives recommended by the Investment Manager;
"Pallinghurst Group"	the Company and all entities controlled by the Company (its subsidiaries);
"Pallinghurst Share Plan"	the Pallinghurst share plan for employees to be voted on by Shareholders at the General Meeting and as summarised in paragraph 12 of this Circular;
"Performance Incentive"	the benefit attributable to the Investment Manager or its Associate in terms of the Investment Management Agreement;
"PGMs"	platinum group metals including platinum, palladium, rhodium, ruthenium, iridium and osmium and the metals and minerals having a mineralogical association therewith, including gold, copper, nickel and cobalt;
"POI Law"	The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
"Program"	the investment program, managed by the Investment Manager, whereby Investments falling within the Investment Scope are offered to the Company and certain Strategic Equity Partners, on a case-by-case basis;
"Proposed Extension"	the proposed extension of the life of the Company by a further 50 years, as more fully described in paragraph 10 of this Circular;
"Rand"	South African Rand, the lawful currency of South Africa;
"Realisation" or "Realising"	the occurrence of any of the following events in relation to an Investment: <ul style="list-style-type: none"> (a) the receipt of consideration and distribution in cash or the receipt of consideration and distribution in specie of any securities of a capital nature; or (b) the unconditional completion of an agreement for the sale of the whole, or any part, of an Investment (save that where the consideration for such sale is wholly comprised of securities of a company or, where the consideration for such sale is comprised partly of securities of a company and partly of cash, in relation to that part of the consideration comprised of securities, there shall be no Realisation for the purposes of this sub-paragraph (b)); or (c) the receipt of any deferred consideration (other than that of an income nature) or the release of a provision in either case arising from a previous Realisation of the whole, or any part, of an Investment; or (d) the redemption of any securities of a company which is the subject of an Investment (other than any redemption of

such securities which is made solely in connection with any other event constituting a Realisation); or

(e) the winding up or dissolution of any entity in which an Investment is held,

and “**Realised**” shall be interpreted accordingly;

“ Record Date ”	close of business on Thursday 15 June 2017 being the last day for Shareholders to be recorded in the Registers in order to be entitled to participate in the General Meeting;
“ Redemption Date ”	the date of compulsory redemption of the Shares, being the date 1 calendar month after the Termination Date, subject to all Investments having been liquidated and/or Distributed;
“ Registers ”	collectively, the South African Register and the BSX Register;
“ Relationship Agreement ”	means the relationship agreement entered into between Gemfields and the Pallinghurst Resources Fund L.P. on 15 August 2013;
“ Resolutions ”	collectively, the Ordinary Resolution and Special Resolution;
“ Revised Listings Particulars ”	the information set out in the part of this Circular entitled “Revised Listings Particulars” (including the appendices thereto) which has been provided to Pallinghurst Shareholders as part of this Circular, in compliance with the JSE Listings Requirements;
“ SA Dematerialised Shareholders ”	Shareholders who hold Dematerialised Shares on the South African Register;
“ Senior Key Executive ”	means Brian P Gilbertson and any person approved as a Senior Key Executive in addition to, or as a replacement of, the Senior Key Executive;
“ SENS ”	the Stock Exchange News Service of the JSE;
“ Service Agreements ”	the new service agreements entered into between the Company and each of Brian Gilbertson, Arne H Frandsen and Andrew Willis which are expected to become effective on 19 September 2017, as more fully described in Annexure B of this Circular;
“ Shares ”	all shares in Pallinghurst, including, without limitation, the Ordinary Shares and the Management Shares;
“ Shareholders ”	the registered holders of the Ordinary Shares, recorded in the Registers on the Record Date;
“ Sedibelo ”	Sedibelo Platinum Mines Limited, a company duly incorporated and registered in accordance with Guernsey law;
“ South Africa ” or “ SA ”	the Republic of South Africa;
“ South African Register ”	the register of Shareholders whose Ordinary Shares are listed on the JSE and which register is maintained by the South African Transfer Secretaries;
“ South African Transfer Secretaries ”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of South Africa;
“ Special Resolution ”	the Special Resolution set out in the Notice of General Meeting, to be approved by the requisite majority of Shareholders at the General Meeting;

"Steel Making Materials"	one of the Company's investment strategies, which is to develop a platform to supply the key raw materials (in particular manganese, iron ore and coking coal) required for the production of steel;
"Strate"	Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated under the laws of South Africa and the electronic settlement system for settlements that take place on the JSE and offmarket trades;
"Strategic Equity Partner(s)"	those parties which may, from time to time, co-invest with the Company in Investments based on their financial, strategic and/or technical expertise;
"Tshipi"	Tshipi é Ntle Manganese Mining (Pty) Limited, a private company duly incorporated in accordance with the laws of South Africa, with registration number 2008/003117/07;
"Takeover Code"	the UK City Code on Takeovers and Mergers;
"Termination Date"	14 September 2017, but as to be amended pursuant to the Special Resolution;
"UK"	the United Kingdom;
"UK Listing Authority"	the Financial Conduct Authority of the UK as the competent authority for purposes of Part VI of the Financial Services and Markets Act, 2000, as amended from time to time; and
"VAT"	Value-Added Tax, or other applicable indirect tax.

Pallinghurst Resources Limited

(an authorised closed-ended investment company incorporated under The Companies (Guernsey) Law 2008 and registered in Guernsey, with registered number 47656)

(Registered as an external company in South Africa under registration number 2009/012636/10 on 26 June 2009)

Share code on the BSX: PALLRES ISIN: GGOOB27Y8Z93

Share code on the JSE: PGL

Directors

Brian Gilbertson	<i>(Chairman)</i>
Arne H. Frandsen	<i>(Chief Executive)</i>
Andrew Willis	<i>(Finance Director)</i>
Dr Christo Wiese	<i>(Non-Executive Director)</i>
Stuart Platt-Ransom	<i>(Lead Independent Non-Executive Director)</i>
Martin Tolcher	<i>(Independent Non-Executive Director)</i>
Clive Harris	<i>(Independent Non-Executive Director)</i>
Lumkile Mondli	<i>(Independent Non-Executive Director)</i>

CIRCULAR TO PALLINGHURST SHAREHOLDERS INCORPORATING REVISED LISTING PARTICULARS

1. INTRODUCTION AND BACKGROUND

Shareholders are advised that Pallinghurst intends to make the Offer which, if approved and implemented, will result in the Company acquiring the total issued and to be issued share capital of Gemfields not already owned by the Company, as more fully described in paragraph 6 of this Circular.

Pallinghurst was founded in September 2007 as a limited life mining investment company to source and develop new value accretive mining projects. This phase of Pallinghurst's development has now been achieved with three key assets successfully developed. These include:

- Gemfields – a leading supplier of responsibly sourced coloured gemstones;
- Tshipi – one of the lowest cost manganese producers in the world; and
- Sedibelo – a large scale open pit PGM mining operation in South Africa.

The development of these assets has created significant uplift in the net asset value of Pallinghurst. This value, however, has not been reflected in Pallinghurst's listed share price given the complexities in the structure (including an external management company and multiple entry points into the Pallinghurst Group's assets), complex accounting policies which makes comparison to peers difficult and which is compounded by the lack of consolidated earnings and cash flows.

To unlock value, Pallinghurst now proposes to address these issues and implement a restructuring of the group which will include:

- making the Offer which, if approved and implemented, will result in the Company acquiring the total issued and to be issued share capital of Gemfields not already owned by the Company and post the completion of the Offer, move to de-list Gemfields from the AIM market of the London Stock Exchange, as more fully described in paragraph 6 of this Circular;
- the potential conversion to an operating mining company as more fully described in paragraph 10 of this Circular; and
- collapsing Pallinghurst's investment structure and simplifying its management arrangements.

The result will be a renewed Pallinghurst with a simplified operating model and an in-house management team. The value of the underlying assets will be more clearly demonstrable with clearer earnings and operating metrics that can be benchmarked against industry peers. The revised model will allow Pallinghurst to rationalise costs across the group by simplifying the group's structures.

Post completion of the Offer, Pallinghurst expects to have an enlarged market capitalisation, improved trading liquidity and equity broker coverage. The Board believes that the combination of these factors should be value accretive for all Shareholders.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to:

- provide Shareholders with relevant information relating to the Offer so as to enable them to make an informed decision as to whether or not to vote in favour of the resolution required to approve the Offer (as more fully described in Part I of this Circular);
- provide Shareholders with the relevant information relating to the Proposed Extension (being the extension of the life of the Company by a further 50 years) and the proposed consequential amendments to the Articles required to give effect to the Proposed Extension so as to enable them to make an informed decision as to whether or not to vote in favour of the resolution required to approve the Proposed Extension (as more fully described in Part II of this Circular);
- provide Shareholders with the relevant information relating to the proposed Pallinghurst Share Plan so as to enable them to make an informed decision as to whether or not to vote in favour of the resolution required to approve the Pallinghurst Employee Share Plan (as more fully described in Part III of this Circular);
- provide Shareholders with the relevant information relating to the proposed general authority to buy back Ordinary Shares so as to enable them to make an informed decision as to whether or not to vote in favour of the resolution required to approve the general authority to buy-back such Ordinary Shares (as more fully described in Part IV of this Circular); and
- give notice of a General Meeting of Shareholders in order to consider and, if deemed fit, to pass the Resolutions in accordance with the JSE Listings Requirements, the Articles and Guernsey Law.

The Notice of General Meeting is attached to, and forms part, of this Circular.

The Offer is a Category 1 transaction in terms of the JSE Listings Requirements which requires the approval of Shareholders in a general meeting by way of ordinary resolution. The percentage of voting rights that will be required for the necessary approval to be obtained is more than 50% of the votes exercised on the Ordinary Resolution proposed at the General Meeting.

The Proposed Extension requires an amendment to the Articles which in turn requires the approval of Shareholders by way of special resolution. The percentage of voting rights that will be required to approve the Proposed Extension is not less than 75% of the votes exercised on the Special Resolution proposed at the General Meeting.

Pallinghurst is also seeking the general authority to repurchase up to 152,090,526 Ordinary Shares. In terms of section 5.72 of the JSE Listings Requirements, Pallinghurst may only make a general repurchase of securities if approved by not less than 75% of the votes exercised on the Special Resolution proposed at the General Meeting.

Pallinghurst also intends to establish the Pallinghurst Share Plan, a summary of which is set out in paragraph 12 of this Circular. In terms of the JSE Listings Requirements, Pallinghurst may only implement the Pallinghurst Share Plan if approved by not less than 75% of the votes exercised on the Special Resolution proposed at the General Meeting.

3. REVISED LISTING PARTICULARS

It is also anticipated that the number of Ordinary Shares to be issued pursuant to the Offer will increase the total number of Pallinghurst shares in issue by more than 50%. As a consequence, this Circular includes Revised Listing Particulars as required in terms of the JSE Listings Requirements.

4. RELATED PARTY TRANSACTION

The Offer does not constitute a related party transaction in terms of the JSE Listings Requirements.

5. GENERAL MEETING

A General Meeting of Pallinghurst Shareholders will be held at The Old Government House, St Ann's Place, St Peter Port, Guernsey, GY1 2NU on Monday 26 June 2017 at 11am (BST), to consider and, if deemed fit, approve the Resolutions.

Details of the action required by the Pallinghurst Shareholders regarding the General Meeting are set out on page 6 of this Circular.

PART I: THE OFFER

6. THE OFFER

6.1. Description of the Offer

Pallinghurst announced on 19 May 2017 its intention to make an offer which, if approved and implemented, will result in Pallinghurst acquiring the total issued and to be issued share capital of Gemfields not already owned by the Company.

Under the terms of the Offer, which will be subject to the Conditions and further terms summarised below and set out in full in the Offer Document and, in respect of Gemfields Shares in certificated and uncertificated form, in the form of acceptance, Gemfields Shareholders will receive for each Gemfields Share: 1.91 New Pallinghurst Ordinary Shares in respect of which valid acceptances are received. The exchange ratio of the Offer has been determined using the 30 day volume weighted average price for both Pallinghurst and Gemfields as well as the spot ZAR/GBP exchange rate as on 17 May 2017.

Based on the closing exchange rate of ZAR 17.14 = £1.00 (source: Reuters) and the Closing Price of the Ordinary Shares of ZAR 3.45 on 17 May 2017, being the last practicable date before the Offer Announcement, the Offer values each Gemfields Share at 38.5 pence and values the total issued and to be issued ordinary share capital of Gemfields at up to approximately £227.2 million.

The Offer is being made at the 30 day volume weighted average trading share price of Gemfields on the LSE on 17 May 2017. This implies a total equity value of up to approximately £227.2 million for 100% of the total issued and to be issued share capital of Gemfields which has a net asset value attributable to Pallinghurst as at 31 December 2016 of US\$164.6 million. In terms of the Offer, Pallinghurst will be acquiring a potential maximum of 56.2% of the total issued and to be issued share capital equating to £127.7 million of the equity value and a pro rata net asset value of US\$185 million (based on the total issued share capital of Gemfields).

The table below sets out what the enlarged share capital of the Company will be and the percentage of shares in the enlarged share capital of the Company that Gemfields Shareholders will have, depending on the level of acceptances received (and, where appropriate, such number of Gemfields Shares that the Company and any of its wholly owned subsidiaries has acquired or agreed to acquire whether pursuant to the Offer or otherwise):

Level of acceptances	Potential maximum number of New Pallinghurst Ordinary Shares (millions)*	Potential maximum enlarged number of Ordinary Shares following implementation of the Offer (millions)	Percentage of Ordinary Shares held by Gemfields Shareholders in the potential maximum enlarged share capital of Pallinghurst*
100% ⁽¹⁾	634.1	1,394.5	45.5%
75%	351.9	1,112.4	31.6%
60%	182.6	943.1	19.4%

* including such number of Gemfields Shares that the Company and any of its wholly owned subsidiaries has acquired or agreed to acquire whether pursuant to the Offer or otherwise. Level of acceptances refer to the percentage of total Gemfields share capital to be owned by Pallinghurst post-Completion. The number of New Pallinghurst Ordinary Shares is based on the total issued share capital of Gemfields of 549.8 million shares and a potential maximum issue of 41.1 million Gemfields Shares as a result of Gemfields option holders exercising their options.

(1) this would arise if acceptances of 90 per cent. or more of the Gemfields Shares to which the Offer relates were obtained.

If Pallinghurst receives acceptances under the Offer in respect of, and/or otherwise acquires, 90% or more of the Gemfields Shares by nominal value and voting rights attaching to such shares to which the Offer relates and assuming that all of the other Conditions of the Offer have been satisfied or waived (if capable of being waived), Pallinghurst intends to exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Gemfields Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

After the Offer becomes or is declared unconditional in all respects and Pallinghurst has by virtue of its shareholdings and acceptances of the Offer acquired, or agreed to acquire, share capital representing at least 75% of the voting rights of Gemfields, Pallinghurst intends to procure the making of an application by Gemfields for cancellation of the trading in Gemfields Shares on AIM. A notice period of not less than 20 Business Days prior to the cancellation will commence either on Pallinghurst attaining 75% or more of the voting rights as described above or on the first date of issue of squeeze-out notices under Chapter 3 of Part 28 of the Companies Act 2006.

Pallinghurst's management has a strong track record of effecting cost reductions in its investments and intends to work with Gemfields management in reducing the overall cost profile of the Enlarged Group following the acquisition. Pallinghurst shall seek to identify opportunities for cost reduction, streamlining the management, administration and removing any overlapping functions with those which are currently outsourced by Pallinghurst, but which will be brought in-house after the implementation of the restructuring. Accordingly, it is Pallinghurst's intention to apply for the de-listing of Gemfields from AIM (assuming that the Offer becomes unconditional in all respects) and, subject to reaching at least 90% of the Gemfields Shares to which the Offer relates, compulsorily acquiring all of the remaining Gemfields Shares.

The New Pallinghurst Ordinary Shares will be the subject of an application for admission to trading on the "Investment Equity" sector of the main board of the JSE. The New Pallinghurst Ordinary Shares will have no par value, will have the same rights as all issued Ordinary Shares and, when allotted, will rank *pari passu* with existing Ordinary Shares, including in respect of all dividends made, paid or declared from the time of their allotment.

6.2. Irrevocable Undertakings

Pallinghurst has received the following irrevocable undertakings with respect to the current issued share capital of Gemfields:

- NGPMR (Cayman) L.P. in respect of its interests in 72,497,243 Gemfields Shares, representing approximately 13.19%;
- Investec Pallinghurst (Cayman) L.P. in respect of its interests in 68,273,047 Gemfields Shares, representing approximately 12.42%;
- Pallinghurst (Cayman) Founder L.P. in respect of its interests in 5,391,081 Gemfields Shares, representing approximately 0.98%;
- Dr Christo Wiese in respect of his interests in 2,494,583 Gemfields Shares, representing approximately 0.45%;
- Sean Gilbertson in respect of his interests in 300,000 Gemfields Shares, representing approximately 0.05%; and
- Oasis Asset Management and Oasis Crescent Capital in respect of their collective interests in 6,008,981 Gemfields Shares, representing approximately 1.09%.

The irrevocable undertakings commit the relevant shareholders to accept the Offer and to accept New Pallinghurst Ordinary Shares in exchange for all their Gemfields Shares.

In aggregate, Pallinghurst has received irrevocable undertakings to accept the Offer in respect of a total of 154,964,935 Gemfields Shares, representing, in aggregate, approximately 28.18% of the total issued share capital of Gemfields as at 17 May 2017. Together, the irrevocable undertakings and Pallinghurst's current holding in Gemfields constitute 75.27% of the total issued share capital of Gemfields.

The irrevocable undertakings from each of NGPMR (Cayman) L.P., Investec Pallinghurst (Cayman) L.P., Pallinghurst (Cayman) Founder L.P., Dr Christo Wiese and Sean Gilbertson cease to be binding if: (i) the Offer is not made (by the publication of the Offer Document) on substantially the terms and conditions set out or referred to in the Offer Announcement by the date which is 28 days from the date of the Offer Announcement (or such later date as the Panel may permit); (ii) the Offer lapses or is withdrawn becoming unconditional in all respects; or (iii) a third party announces a firm intention to acquire the share capital of Gemfields and such proposal provides for consideration of more than 10% premium to the price per Gemfields Share being offered by Pallinghurst and Pallinghurst does not increase the consideration to be paid for Gemfields Shares pursuant to the Offer to an amount equivalent per Gemfields Share within seven days of the competing offer.

The irrevocable undertakings from Oasis Asset Management and Oasis Crescent Capital cease to be binding if: (i) the Offer is not made (by the publication of the Offer Document) on substantially the terms and conditions set out or referred to in the Offer Announcement by the date which is 28 days from the date of the Offer Announcement (or such later date as the Panel may permit); (ii) the Offer lapses or is withdrawn becoming unconditional in all respects; or (iii) a third party announces a firm intention to acquire the share capital of Gemfields and such proposal provides for consideration of more than the price per Gemfields Share being offered by Pallinghurst and Pallinghurst does not increase the consideration to be paid for Gemfields Shares pursuant to the Offer to an amount equivalent per Gemfields Share within seven days of the competing offer.

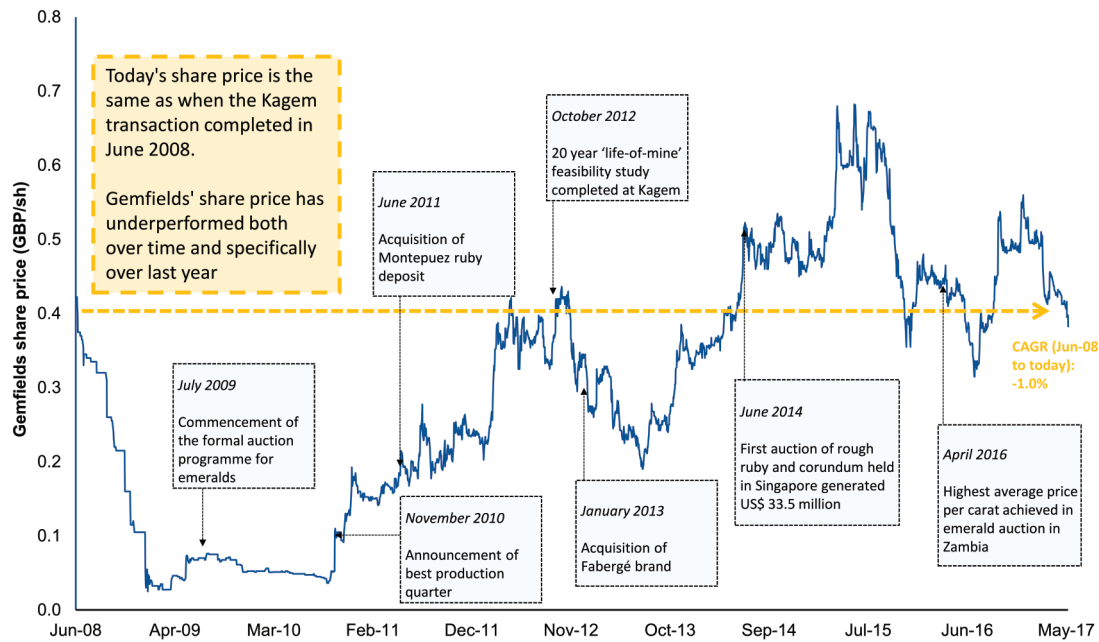
6.3. Rationale for the Offer and Prospects

Gemfields in its current form was created in 2008 when Pallinghurst and the Pallinghurst Co-Investors contributed the Kagem emerald mine to Gemfields, its core operating asset, for shares. This transaction made Pallinghurst and the Pallinghurst Co-Investors the majority shareholders of Gemfields. Subsequently, in 2013, Gemfields acquired Fabergé from Pallinghurst and the Pallinghurst Co-Investors, increasing Pallinghurst Group's direct ownership in Gemfields to the current level of 47.09% (of the total issued share capital of Gemfields).

As such, from the outset, Pallinghurst has been the largest shareholder of Gemfields, making its investment in Gemfields a core component of Pallinghurst's value proposition to its Shareholders. Therefore, unlocking Gemfields' full value potential is of paramount importance to Pallinghurst and its Shareholders.

Pallinghurst believes that, since its investment, the performance of the Gemfields share price has been disappointing and despite the major positive developments, Gemfields Shareholders, including Pallinghurst, have not benefited appropriately. As can be seen in the chart below, the share price of Gemfields has not increased since the completion of the Kagem acquisition, and over the last year has suffered a material decline.

Gemfields' share price



Source: Factset as at 17 May 2017

The poor share price performance of Gemfields has in turn, adversely affected the share price performance of Pallinghurst. The key motivation for the Offer is to address this material issue.

Gemfields remains an attractive and unique business; however, within the current structure, Gemfields will continue to be constrained by:

- limited access to equity and debt capital markets;
- low liquidity in the trading of Gemfields Shares;
- a high cost base; and hence depressed profitability.

Pallinghurst believes that the proposed restructuring and integration of Gemfields will enable Gemfields to perform to its full potential, materially improve trading liquidity and promote a re-rating of the Enlarged Group.

To date, Pallinghurst has been unable to freely support the funding of Gemfields' growth strategy. According to the Relationship Agreement, Pallinghurst and the Pallinghurst Co-Investors cannot influence the operations of Gemfields that would customarily come with Pallinghurst's and the Pallinghurst Co-Investors' level of ownership. Due to Gemfields' depressed profitability and restricted access to third party capital over the past few years, Pallinghurst has had to provide Gemfields with debt facilities.

Following the Offer, the Enlarged Group will have a larger market capitalisation, an enhanced free float, improved market coverage and an expected improvement in liquidity – all of these factors will support a re-rating, as well as providing improved access to equity capital markets. In addition, as Gemfields will fully become part of Pallinghurst's larger and more balanced asset base, it should achieve more attractive access to debt funding.

Having raised in excess of US\$2 billion of equity capital for Pallinghurst and its underlying Investments, Pallinghurst's management team has a proven track record of fund raising. Pallinghurst will use this experience, as well as utilising its existing network of global, long-term Pallinghurst Co-Investors, to access capital for the Enlarged Group's operations.

This improved access to additional long-term capital will enable Gemfields to fund its existing projects, as well as accelerate its portfolio of growth projects. In doing so, Pallinghurst will unlock the inherent value of Gemfields' major assets. As per the values contained in the independent competent persons reports for Kagem (dated September 2015) and Montepuez

(dated July 2015), the value potential is significant. However, this value unlock cannot be achieved by Gemfields in the current structure. Hence the completion of the Offer is essential for the shareholders of both Pallinghurst and Gemfields and will position Gemfields to realistically achieve its publicly stated objective of becoming the “De Beers of the Coloured Gemstone Industry”.

In order to achieve this, following a combination of Pallinghurst and Gemfields, Pallinghurst intends to:

- focus on Gemfields’ core emerald and ruby operations in Zambia and Mozambique respectively and develop these to optimal scale;
- accelerate the development of its existing portfolio of projects to mitigate the dependency on its attractive, but cyclical assets;
- explore all strategic alternatives for Fabergé, where significant growth capital is still required to reach its full potential;
- improve profitability by pursuing cost reductions across the Enlarged Group; and
- secure the right and sustainable capital structure for Gemfields at costs which are acceptable to the Enlarged Group and its shareholders.

Pallinghurst’s management has a strong track record of effecting cost reductions in its Investments and intends to work with Gemfields’ broader management team in reducing the overall cost profile of the Enlarged Group following the acquisition. Pallinghurst shall seek to identify opportunities for cost reduction, streamlining the management, administration and removing any overlapping functions with those which are currently outsourced by Pallinghurst, but which will be brought in-house after the implementation of the restructuring.

Following the successful completion of the Offer, Gemfields will be controlled and managed by Pallinghurst and, assuming that Pallinghurst becomes in due course an operating mining company, will be consolidated as a subsidiary. As such, Pallinghurst’s Executive Directors will have responsibility to manage all of Pallinghurst’s Investments, including Gemfields. Pallinghurst’s current intention is to review the Enlarged Group’s business model (with access to Gemfields’ information and following discussions with Gemfields’ management) and will make any necessary structural changes that are required at that point.

In conclusion, Pallinghurst believes that following the successful completion of the Offer, as well as the implementation of the restructuring, Pallinghurst will have the ability to both increase revenue as well as reduce costs and hence significantly improve the profitability of the Enlarged Group. This will, in turn, unlock Gemfields’ potential value fully for the benefit of all shareholders, including the current Gemfields Shareholders that elect to accept the Offer.

The Offer

Pallinghurst is offering its Ordinary Shares as consideration for the Offer, allowing existing Gemfields shareholders the ability to continue to benefit from being exposed to Gemfields and other quality assets through Pallinghurst. Shareholders will increase their relative exposure to Gemfields, as Pallinghurst materially increases its component of its overall portfolio.

Pallinghurst is offering a market related consideration to Gemfields Shareholders as:

- Pallinghurst and the Pallinghurst Co-Investors already have an interest of 73% in Gemfields;
- the combination of Pallinghurst and Gemfields, together with the broader restructuring proposed by Pallinghurst, will facilitate a value unlock which will fairly benefit both sets of shareholders; and
- the terms of the Offer have been accepted by a majority of Gemfields Shareholders, including the two largest minority Gemfields Shareholders, which have provided Pallinghurst with irrevocable undertakings to accept the Offer on the proposed terms.

Accordingly, Pallinghurst believes that the Offer is attractive as it can unlock value for the Shareholders.

6.4. Conditions Precedent

The Offer is on the terms and subject to the conditions set out in the Offer Document. The conditions to the Offer include (among others):

- valid acceptances of the Offer being received in respect of Gemfields Shares which, together with any Gemfields Shares held by the Pallinghurst Group, constitute not less than 75% of the Gemfields Shares in issue and of the voting rights attached to those shares; and
- the passing at the General Meeting by the requisite majority of the Shareholders of such resolution as is necessary to approve, implement and effect the Offer in accordance with the Category 1 requirements under the JSE Listings Requirements.

7. FUTURE EXCHANGE LISTING

Pallinghurst is listed on the JSE and BSX. Following the Offer, Pallinghurst will consider the optimal listing locations for the Enlarged Group. Whilst no decision has been taken, Pallinghurst will engage with Shareholders and could consider moving the BSX listing to a premium listing on the main board of the London Stock Exchange.

There is no guarantee that if an application is ultimately made to the UK Listing Authority, it will be successful. The Board is continuing to explore various options to maximise Shareholder return and it will continue to update Shareholders if and when matters progress.

8. INFORMATION ON THE PALLINGHURST GROUP

8.1. Introduction

The Company was incorporated on 4 September 2007 as Pallinghurst Resources (Guernsey) Limited in accordance with the Companies (Guernsey) Law, 1994 Law (superseded by the Guernsey Law), and was listed on the BSX on 26 September 2007. On 20 August 2008, the Company listed on the JSE, with the JSE becoming the Company's primary listing and the BSX listing being retained as a secondary listing. On 28 May 2009, the Company changed its name from Pallinghurst Resources (Guernsey) Limited to Pallinghurst Resources Limited. The Company was registered as an external company in South Africa (registration number 2009/012636/10) on 26 June 2009.

The Company is registered with the GFSC as an authorised closed-ended investment company under the POI Law, with an initial lifespan of 10 years. As an authorised closed-ended investment company, the Company is subject to continuing regulation and supervision by the GFSC. In conjunction with the Offer, it is proposed that, subject to Shareholder approval, Pallinghurst's life will be extended by a further 50 years.

The Company's current intention is to remain an authorised closed-ended investment company following the Proposed Extension. However, Pallinghurst will consider, at the relevant time after the approval of the Proposed Extension, whether it would need to reassess its nature as an authorised closed-ended investment company as a result of the Proposed Extension.

The Company maintains a global focus across the commodities spectrum, with a primary focus on underperforming assets and businesses that lack direction, are poorly managed, or are stranded or distressed. The Investment Manager, on behalf of the Company, seeks to develop strategic platforms in pursuit of consolidation, vertical integration and turnaround opportunities and expansion projects. The Company targets Investments in businesses that hold mines, smelters, refineries and processing plants. The preference is for Brownfields Opportunities, although Investments in businesses with attractive development opportunities are also considered.

The Pallinghurst Group is considered by the Directors to be a private equity or venture capital organisation.

8.2. Structure

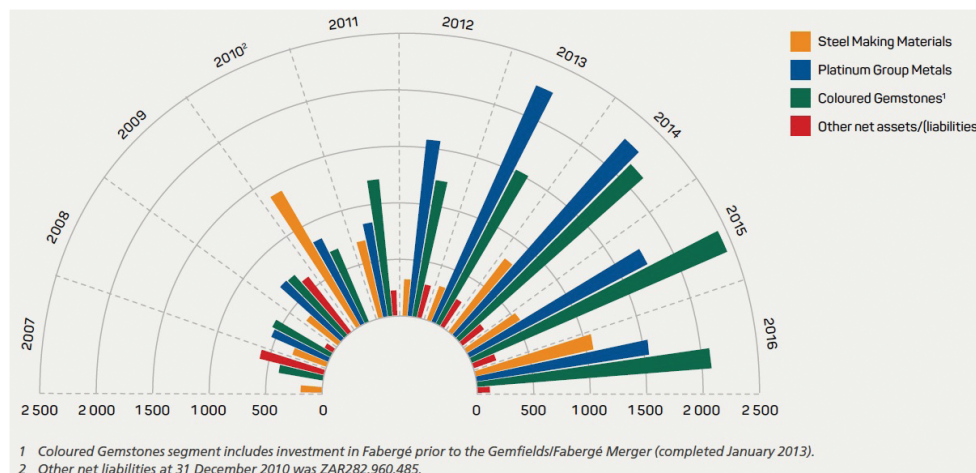
The Pallinghurst Group comprises Pallinghurst Resources Limited, all entities controlled by Pallinghurst (its subsidiaries) and any Associates or joint ventures.

The Pallinghurst Group's corporate structure as at the Last Practicable Date is as set out in Annexure A.

Investment Platforms

The Company's three main investment platforms comprise: (1) Coloured Gemstones (2) PGMs and (3) Steel Making Materials (together, the "**Investment Platforms**"). All three Investment Platforms consist of assets that are now at or near steady state production, substantially de-risking the Pallinghurst Group.

Net Asset Value by Investment Platform (in ZAR million)



- Coloured Gemstones** – the Company's coloured gemstones platform comprises a 47.09% interest in Gemfields. Gemfields operates the Kagem Mining Limited ("**Kagem**") emerald mine and Kariba Minerals Limited ("**Kariba**") amethyst mine in Zambia, the Montepuez Ruby Mining Lda ("**Montepuez**") producing ruby deposit in Mozambique, as well as holding interests in Madagascar and Ethiopia respectively. In addition, Fabergé Limited is Gemfields' wholly owned subsidiary.
- PGMs** – the Company's PGMs platform comprises a 6.54% interest in Sedibelo, a large scale open pit PGM mining operation in South Africa.
- Steel Making Materials** – the Company's steel making materials platform comprises a 18.43% interest in Jupiter, which holds an interest in the Tshipi mine, a low cost, open-pit manganese mine and estimated to be one of the five largest manganese exporters globally and the largest single manganese mine in South Africa, as well as development iron ore projects in Australia.

As at 31 December 2016, and as per Pallinghurst's audited annual financial statements for the year ended 31 December 2016, the net asset value for each of the Investments was as follows:

- Gemfields: US\$164.6 million (based on Gemfields' share price as at 31 December 2016);
- Sedibelo: US\$114.4 million; and
- Jupiter: US\$79.5 million.

The following table provides a description of the see-through interest of the Pallinghurst Group in the total assets within each of the Investments as per Pallinghurst's audited annual financial statements for the year ended 31 December 2016:

Name of Investment	Gross Asset Value*		Net Asset Value*	
	US\$	%	US\$	%
Gemfields	US\$224.1	66	164.6	46
Sedibelo	US\$79.4	23	114.4	32
Jupiter	US\$36.4	11	79.5	22

Notes:

* Gross assets for Gemfields as at 30 June 2016, Sedibelo as at 31 December 2016, and Jupiter as at 28 February 2016. Net assets as per Pallinghurst's audited annual financial statements for the year ended 31 December 2016. Net assets exclude unallocated assets.

9. INFORMATION ON GEMFIELDS

9.1. Introduction

Gemfields is a producer of coloured gemstones. Gemfields' principal assets include Zambian emerald and amethyst assets, ruby assets in Mozambique, ruby, emerald and sapphire interests in Madagascar and emerald assets in Ethiopia. Gemfields is listed on AIM.

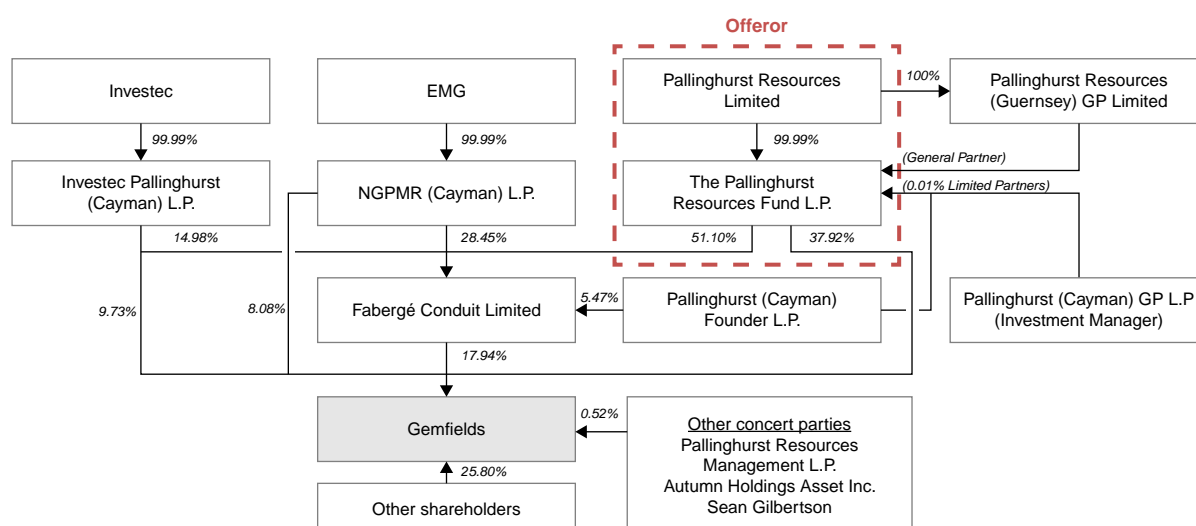
Gemfields is a world leading supplier of responsibly sourced coloured gemstones. It delivers a steady supply of high quality, graded rough gemstones through internationally held auctions with an ability to be a price maker not a price taker. Gemfields operates a "mine and market" strategy, meaning it focuses on both ends of the value chain, representing what it believes to be the two most important segments.

The auctions are held in secure locations with the material separated into homogeneous lots and have either been produced by Gemfields (and are certified accordingly) or obtained by Gemfields from third parties. The world's leading rough gemstone buyers submit sealed bids for individual lots. A sale occurs if the highest bid received exceeds a pre-determined, but undisclosed, reserve price. The auctions have brought a level of professionalism and transparency previously not seen in the industry.

As there was no industry standard for evaluating rough coloured gemstones, Gemfields established its own grading system to assess each gem according to its individual characteristics (size, colour, shape and clarity). This approach has been instrumental in providing buyers with confidence in the consistent quality of the material on offer. Gemfields used this grading system to develop three auction classes, one offering higher quality gemstones, one for the larger volume of lower quality gems and the last offering mixed quality gemstones.

9.2. Structure

As at 17 May 2017, there were 549,816,476 ordinary shares of £0.01 each in the total issued share capital of Gemfields. Based on Gemfields' disclosed significant shareholders' interests as at 31 March 2017, Gemfields' shareholders holding interests of 3% or more in the total issued ordinary share capital of the Company were the Pallinghurst Resources Fund L.P. (37.92%), Fabergé Conduit Limited (17.94%), Investec Pallinghurst (Cayman) LP (9.73%), NGPMR (Cayman) L.P. (8.08%), BlackRock Inc. (3.91%), with the remaining 22.42% being held by shareholders holding less than 3% of the total issued share capital.



- (1) the Investment Manager has five limited partners (which include the following directors of Pallinghurst: Brian Gilbertson, Arne H. Frandsen and Andrew Willis). Pallinghurst (Cayman) Founder L.P. has five limited partners (which include the following directors of Pallinghurst: Brian Gilbertson, Arne H. Frandsen and Andrew Willis).

9.3. Overview of Gemfields' Key Assets

Gemfields' key assets include ownership of:

- 75% of the Kagem emerald mine;
- 75% of the Montepuez ruby mine;
- 50% of the Kariba amethyst mine; and
- 100% of Fabergé Limited, one of the world's most well recognised luxury brand names.

Gemfields owns and operates ubiquitous coloured gemstone sorting, grading and supply infrastructure, and has several exploration and expansion projects including in Zambia (emeralds and amethyst), Mozambique (rubies), Ethiopia (emeralds) and Madagascar (rubies, emeralds and sapphires).

9.4. Partners

Gemfields holds certain of its assets in partnership with other entities. A summary of such assets, and Gemfields' corresponding equity interest, is provided below:

Key asset	Gemfields' % interest	Partner (% interest)
1. Kagem (emeralds)	75%	Government of the Republic of Zambia (25%)
2. Montepuez Ruby Mining Limitada (rubies)	75%	Mwiriti Limitada (local Mozambican entity) (25%)
3. Kariba Minerals Limited (amethyst)	50%	ZCCM Investments Holdings plc ("ZCMM-IH") (50%) (ZCCM-IH is 87% owned by the Government of the Republic of Zambia)
4. Eastern Ruby Mining Limitada, Mozambique (rubies)	75%	EME Investments, a local Mozambican entity (25% interest)
5. Web Gemstone Mining plc, Ethiopia (emeralds)	75%	An Ethiopian entity representing the local community and individuals in southern Ethiopia (25%)

PART II: PROPOSED EXTENSION

10. PROPOSED CONVERSION OF PALLINGHURST

Pallinghurst is currently structured as an investment entity, listed on the main market of the JSE. Given the diverse nature of its Investments it prepares its financial statements in terms of investment entity accounting which allows it to reflect the underlying investments at valuation but only reflect the actual cash flow, typically dividends through the income statement. There are no other similar mining investment entities currently listed on the JSE.

The current Articles provide that the Company's initial life-span will end on 14 September 2017. Pallinghurst is proposing extending its life as a closed-end investment company by 50 years. Following the closing of the Offer and post the approval of the Proposed Extension, while no decision has been made, if appropriate, Pallinghurst will consider becoming an operating mining company. If that decision is made, Pallinghurst will apply for its listing to be moved to the "Diversified Mining" sector of the JSE main board. Until this is approved, Pallinghurst will continue to account in terms of investment entity accounting provisions.

To give this effect, the Company is proposing to amend the Articles to extend its life by 50 years (the "**Proposed Extension**"). In order to implement these changes, it is necessary to make amendments to the Articles by way of a special resolution of Shareholders (as set out in the Notice of General Meeting).

There are various amendments to the definitions and to other sections contained within the Articles that stem from the Proposed Extension. These amendments are detailed more particularly in the marked copy of the Articles attached at Appendix A to the Notice of General Meeting.

The Board reminds Shareholders that notwithstanding the proposed continued closed-ended status of the Company, Shareholders are still able to realise the value of their investments through the trading platforms of either the JSE or the BSX (as appropriate) where the Company's equity securities are admitted to trading.

The Directors believe that the Proposed Extension is in the best interests of the Company and Shareholders as a whole, particularly when considered together with the proposed Offer. A disposal of Pallinghurst's minority stakes in its investments platforms on the expiry of the current life of the Company would likely be expected at a material discount to the underlying value which would be to the detriment of all Shareholders. The Proposed Extension will eliminate investor uncertainty in the short-term and provide clear guidance to the market on the Company's long-term future.

In accordance with Part 5 of The Authorised Closed-Ended Investment Schemes Rules 2008, the GFSC has been notified of the Proposed Extension and the corresponding amendments to the Articles. The Company's scheme particulars (which it is required to maintain in accordance with Guernsey law) will be updated accordingly.

On the assumption that the Board deems it appropriate and, accordingly, makes the decision to become an operating mining company, Pallinghurst will be subject to a revised FTSE classification and will no longer account as an "investment entity" in terms of IFRS 10 but rather account as an operating mining company.

As a result rather than fair valuing its investments, Pallinghurst would consolidate the results of its subsidiaries on a line by line basis with its interests in joint ventures and associates being equity accounted.

Consequent on becoming an operating mining company, Pallinghurst would also be required to adopt a number of new accounting policies that are not currently applicable, which include but are not limited to: impairment of non-current assets under IAS36 "Impairment of Assets", revenue recognition under IAS18 "Revenue", inventory valuation under IAS2 "Inventory" and stripping costs under IFRIC20 "Stripping Costs in the Production Phase of a Surface Mine".

PART III: MANAGEMENT STRUCTURE

11. REVISION OF CURRENT MANAGEMENT STRUCTURE

At the time of its initial public offering in 2007, the Pallinghurst management team committed to managing Pallinghurst for at least 10 years. As part of the Offer, and the Proposed Extension, the Pallinghurst management team will undertake to manage Pallinghurst for another 5 years, until September 2022.

Consistent with the conversion to a mining operating company, listed in the diversified mining sector, Pallinghurst proposes to internalise its investment management function. To achieve this, Pallinghurst proposes to:

- terminate the existing Investment Management Agreement for no consideration. All fees and carried interest arrangements will cease;
- employ certain key Executive Directors, namely, Brian Gilbertson as Executive Chairman, Arne H. Frandsen as Chief Executive Officer and Andrew Willis as Finance Director on new employment contracts (the "**Service Agreements**"); and
- employ certain senior executives namely Sean Gilbertson as Chief Investment Officer and Priyank Thapliyal as Chief Operating Officer; and
- establish the Pallinghurst Share Plan to attract, retain and incentivise, amongst others, key Executive Directors and senior executives. In this regard, Brian Gilbertson, Arne H. Frandsen and Andrew Willis will be granted their options in their respective Service Agreements and subject to the terms of the Pallinghurst Share Plan.

The salient terms of the Service Agreements of key Executive Directors are set out in Annexure B to this Circular. The employment contracts provide for a base salary in line with market practice and bonus arrangements that are directly linked to share price performance.

This arrangement aligns the interests of management with shareholders to achieve a value-accretive share price performance.

It is also proposed that the fees payable to the non-executive Directors of Pallinghurst be increased from US\$40,000 to a maximum of US\$100,000 each per annum for their services. The quantum of the current fees payable to non-executive Directors have not been increased since being approved by Shareholders in 2009 and the proposed increase will bring the remuneration of non-executive Directors more in line with prevailing market practice. Furthermore, the proposed new quantum will enable Pallinghurst to attract suitably qualified and experienced non-executive Directors to the Board.

An overview of the Pallinghurst Group corporate structure under the new management structure is set out in Annexure C to this Circular.

12. SALIENT TERMS OF PALLINGHURST SHARE PLAN

12.1. Rationale

The Pallinghurst Share Plan is intended as an incentive to employees to promote the continued growth of Pallinghurst by giving them an opportunity to acquire Ordinary Shares, thereby aligning their interests with those of Shareholders and simultaneously encouraging employee retention and motivation.

12.2. Qualifying Employees

An employee of the Pallinghurst Group shall be eligible to participate in the Pallinghurst Share Plan only if and to the extent that an option to subscribe for Ordinary Shares in terms of the Pallinghurst Share Plan ("**Options**") is granted to them ("**Qualifying Employees**").

The Directors (or any committee thereof to whom the powers of the directors in respect of the Pallinghurst Share Plan are delegated in terms of the Company's constitutional documents) in their sole discretion may from time to time, by resolution resolve, to which of the employees of the Pallinghurst Group Options shall be granted in terms of the Pallinghurst Share Plan. The date on which the Directors grant such Options shall be the option date ("**Option Date**").

12.3. Ordinary Shares available for Pallinghurst Share Plan

The aggregate number of unissued Ordinary Shares reserved for the Pallinghurst Share Plan is up to 167,341,281 (one hundred and sixty seven million three hundred and forty one thousand two hundred and eighty one) Ordinary Shares.

The total number of Ordinary Shares in respect of which any one Qualifying Employee shall be entitled to subscribe for in terms of the Pallinghurst Share Plan shall be determined by the Board, provided that they shall not make a determination exceeding 27,890,213 Ordinary Shares (twenty seven million eight hundred and ninety thousand two hundred and thirteen).

12.4. Terms and conditions of the Options

12.4.1. An Option shall be granted at the option price. The option price shall be determined as follows:

- in respect of an Option granted on or before 31 December 2017, R3.45 (three Rand and forty five cents), being the closing price of an Ordinary Share (as shown by the official price list published by the JSE) on 17 May 2017; and
- in respect of an Option granted after 31 December 2017, the Middle Market Price of an Ordinary Share on the most recent trading day on the JSE immediately preceding the Option Date.

12.4.2. The Ordinary Shares which are the subject of an Option (the "**Option Shares**") shall be divided into five equal tranches of 20% (twenty percent) (each of which being a "**Tranche**"), with each of such Tranches being exercisable as follows:

- (i) the 1st (first) Tranche shall be exercisable with effect from the Option Date;

- (ii) the 2nd (second) Tranche shall be exercisable with effect from the 1st anniversary of the Option Date;
- (iii) the 3rd (third) Tranche shall be exercisable with effect from the 2nd anniversary of the Option Date;
- (iv) the 4th (fourth) Tranche shall be exercisable with effect from the 3rd anniversary of the Option Date; and
- (v) the 5th (fifth) Tranche shall be exercisable with effect from the 4th anniversary of the Option Date,

each of which being an “**Exercise Date**”.

12.4.3. No Ordinary Shares issued to a Qualifying Employee in terms of the 1st first Tranche referred to above may be sold by such Qualifying Employee prior to the expiry of 6 (six) months following the date on which the Offer is implemented.

12.4.4. In the event that a Qualifying Employee ceases to be employed by the Company or any of its subsidiaries:

- for any reason (including as a result of his death or disability (in respect of disability, whether his employment is terminated by the Company or the Qualifying Employee as a result thereof)) other than: (i) his resignation; or (ii) the termination of his employment by the Company by reason of gross misconduct or fraud:
 - in respect of an Option granted on or before 31 December 2017, the next Tranche of Option Shares which would have become exercisable after the date on which his employment is terminated (“**Termination Date**”) shall be exercisable with effect from the Termination Date (which shall be the “**Exercise Date**” in respect of such Tranche) and the remaining Tranches of Option Shares which are not yet exercisable shall lapse;
 - in respect of an Option granted after 31 December 2017, any Tranche of Option Shares which are not yet exercisable shall lapse; and
- as a result of his resignation; any Option Shares which are not yet exercisable shall lapse;
- or as a result of the termination of his employment by the Company by reason of gross misconduct or fraud, any Option Shares which have not yet been exercised shall lapse.

12.4.5. In the event of an offer being made to the Shareholders or a scheme of arrangement being proposed between the Company and the Shareholders or any other scheme or arrangement being proposed including the sale, re-organisation, or reconstruction of the Company's share capital by virtue of which control of the Company shall pass to another person or company, any Tranches of Option Shares which are not yet exercisable shall immediately become exercisable (which shall be the “**Exercise Date**” in respect of such Tranches) and the relevant Qualifying Employee shall be entitled to exercise his right to subscribe for all of the Option Shares which have not yet been issued by no later than the date upon which such offer or scheme of arrangement or other scheme or arrangement becomes unconditional.

12.4.6. Any Option Shares which have not yet been exercised shall lapse:

- in respect of Option Shares with Exercise Dates referred to in paragraph 12.4.2(i), the expiry of 5 (five) years following the relevant Option Date;
- in respect of Option Shares with Exercise Dates referred to in paragraph 12.4.2(ii), the expiry of 4 (four) years following the relevant Option Date; and
- in respect of Option Shares with Exercise Dates referred to in paragraphs 12.4.2(iii) to 12.4.2(v) (both inclusive), paragraph 12.4.4 or paragraph 12.4.5, the expiry of 3 (three) years following the relevant Option Date.

A copy of the Pallinghurst Share Plan is attached as Annexure D hereto.

PART IV: AUTHORITY TO REPURCHASE SHARES

13. GENERAL AUTHORITY TO REPURCHASE ORDINARY SHARES

13.1. Rationale

Given the significant number of Ordinary Shares being issued pursuant to the Offer and the potential flow back of some of these New Pallinghurst Ordinary Shares, the Board has deemed it prudent to obtain a general authority to buy back shares on the terms and conditions set out below (the “**Authority**”).

13.2. Overview

The effect of the requisite Special Resolution, if approved, will be to grant Pallinghurst the general authority to repurchase up to 152,090,526 Ordinary Shares.

The Directors consider that a general authority should be put in place to acquire up to 152,090,526 Ordinary Shares to retain the flexibility to buy back any Ordinary Shares in the open market to mitigate any flow back of the New Pallinghurst Ordinary Shares.

Any share buy-back using the above authority, if approved and utilised will be made in accordance with section 315 of the Guernsey Law and be subject to the following conditions:

- it will be effected through the open order book operated by the JSE;
- it is authorised in terms of article 8 of the Articles of Incorporation;
- it will not be made at a price greater than 10% above the weighted average of the market value of the Ordinary Shares for the 5 business days immediately preceding the date on which the repurchase occurs;
- at any point in time, Pallinghurst will only appoint one agent to effect the repurchase;
- it will only be valid until the next annual general meeting of Pallinghurst or for a period 15 months, whichever period is shorter;
- Pallinghurst will not repurchase any Ordinary shares during a prohibited period (as defined in the JSE Listings Requirements) unless a repurchase programme where dates and quantities of Ordinary Shares to be traded have been announced over SENS, prior to the commencement of the prohibited period;
- the Authority may be general for that purpose or limited to the repurchase of shares of any particular class or description, and may be either unconditional or subject to conditions;
- the Authority will specify the maximum number of Ordinary Shares authorised to be acquired, the maximum and minimum prices which may be paid for the shares, and a date on which it is to expire (the “**Authority Requirements**”);
- the Authority may be varied revoked or renewed by ordinary resolution, but this is subject to the Authority Requirements above and, in a resolution to confer or renew authority, the date on which the authority is to expire;
- the repurchase may be made after the Authority has expired if the contract for the repurchase was concluded before the Authority expired and the terms of the Authority permitted the Company to enter into a contract for the repurchase which would or might be executed wholly or partly after its expiration; and
- a resolution to confer or vary authority may determine the price for the repurchase by specifying a particular sum or providing a basis or formula for calculating the amount of the price in question without reference to any person’s discretion or opinion.

13.3. Solvency and liquidity

Pursuant to the relevant requirements under the Guernsey Law, the Company may only repurchase the Ordinary Shares referred to above if:

- the Board is satisfied on reasonable grounds that the Company will, immediately after the repurchase, satisfy the solvency test; and

- the Board satisfies any other requirement in the Articles.

The Directors must approve a certificate stating that in their opinion the Company will, immediately after the distribution, satisfy the solvency test and include the grounds for that opinion.

To satisfy the solvency test under the Guernsey Law, the Directors must be able to satisfy themselves, on reasonable grounds, that:

- the Company is able to pay its debts (as defined in s527 of the Guernsey Law) as they become due; and
- the value of the Company's assets is greater than the value of its liabilities (as defined in s527 of the Guernsey Law).

13.4. Disclosure in terms of paragraph 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures, which are detailed in this Circular, see:

- Major Shareholders – paragraph 19;
- Material changes – paragraph 26;
- Share capital of Pallinghurst – paragraph 15; and
- Directors' responsibility statement – paragraph 23.

PART V: FINANCIAL INFORMATION

14. FINANCIAL INFORMATION

14.1. Historical financial information of Gemfields

The historical consolidated financial information of Gemfields for the financial years ended 30 June 2016, 30 June 2015, 30 June 2014, and for the six months ended 31 December 2016, are available on Gemfields' website (hosted at www.gemfields.co.uk).

The Gemfields audit and risk committee is responsible for assuring accountability and effective corporate governance over Gemfields' financial reporting, including the adequacy of related disclosures, the internal financial control environment and the processes in place to monitor this. The Gemfields audit and risk committee oversees the adequacy and effectiveness of the risk management framework and its application across the business. In respect of financial reporting activities, the committee reviews and recommends to the board for its approval all half-year and full-year financial statements announcements.

14.2. Differences in Pallinghurst's and Gemfields' accounting policies

Pallinghurst's financial statements are prepared under IFRS as issued by the International Accounting Standards Board ("**IFRS-IASB**") whilst Gemfields' are prepared under IFRS as endorsed by the European Union ("**IFRS-EU**"). In terms of the respective presentation of Pallinghurst's financial statements for the three years ended 31 December 2016 (available on Pallinghurst's website (hosted at www.pallinghurst.com)) and the Gemfields financial statements for the three years-ended 30 June 2016 (available on Gemfields' website (hosted at www.gemfields.co.uk)) of the Circular, there are no differences between these two bases of preparations.

As Pallinghurst meets the requirements set out in IFRS10, it is considered an "investment entity" in terms thereof and accordingly it fair values its interests in subsidiaries, joint ventures, associates and investments. Gemfields does not meet the requirements set out in IFRS10 and is accordingly not considered an "investment entity" in terms thereof and consequently the results of its subsidiaries are consolidated on a line by line basis and its interests in joint ventures and associates are equity accounted.

As a consequence of Gemfields not being an "investment entity", it therefore adopted a number of accounting policies that are not applicable to Pallinghurst, for example: impairment of non-current assets under IAS36 "Impairment of Assets", revenue recognition under IAS18

“Revenue”, inventory valuation under IAS2 “Inventory” and stripping costs under IFRIC20 “Stripping Costs in the Production Phase of a Surface Mine”. However, in each situation the policy adopted would be the same whether under IFRS-IASB or IFRS-EU.

14.3. Pro forma financial effects of the Offer

The table below sets out the pro forma financial effects of the Offer on the published audited consolidated financial statements of Pallinghurst for the year ended 31 December 2016. The pro forma financial effects have been prepared for illustrative purposes only to provide information on how the Offer might have impacted the financial statements and financial position of Pallinghurst assuming the Offer had been implemented at 31 December 2016 for balance sheet purposes and with effect from 1 January 2016 for income statement purposes. Due to their pro forma nature, the financial statements and financial position may not fairly present Pallinghurst's financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the Offer going forward.

The pro forma financial effects have been prepared using accounting policies that comply with IFRS and are consistent with those applied in the published audited consolidated financial statements of Pallinghurst for the year ended 31 December 2016. The pro forma financial effects are presented in accordance with the JSE Listings Requirements and the Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants and ISAE 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus.

The Directors are responsible for the compilation, contents and preparation of the pro forma financial effects. Their responsibility includes determining that the pro forma financial effects have been properly compiled on the basis stated, which is consistent with the accounting policies of Pallinghurst and that the pro forma adjustments are appropriate for purposes of the pro forma financial information disclosed pursuant to the Listings Requirements.

<u>(1)</u>	<u>Before</u>	<u>Pro forma after the Offer</u>	<u>% change</u>
Earnings and diluted earnings per shares	0.06	0.03	(50.0%)
Headline and diluted headline earnings	0.06	0.03	(50.0%)
Weighted and diluted average number of shares . .	760,452,631	1,394,510,673	83.4%
Net asset value per share	0.48	0.36	(25.0%)
Net tangible asset value per share	0.48	0.36	(25.0%)
Number of ordinary shares in issue	760,452,631	1,394,510,673	83.4%
Treasury shares in issue	0		
Number of shares in issue	<u>760,452,631</u>	<u>1,394,510,673</u>	<u>83.4%</u>

(1) The impact on the basic earnings, diluted earnings, headline earnings and diluted headline earnings per share has been calculated by assuming an increase in the weighted average number of shares in issue of 634,058,042. This is based on the potential maximum number of shares expected to be issued to complete the Offer as set out on page 18 of this Circular.

The Pallinghurst information reflected in the “Before” column has been extracted from the published audited consolidated financial statements of Pallinghurst for the year ended 31 December 2016.

The Pallinghurst information reflected in the “Pro forma after the Offer” column has been calculated on the basis that the Offer has been implemented.

The effects on basic earnings, diluted earnings, headline earnings, diluted headline earnings are calculated on the basis that the Offer was effective 1 January 2016 and, net asset value and net tangible asset value per share are calculated on the basis that the Offer was effective on 31 December 2016.

The issued share capital is increased for the assumed Ordinary Shares as a consequence of the Offer.

The pro forma financial effects (as well as the detailed notes and assumptions thereto) are presented in Annexure E and the pro forma financial effects should be read in conjunction with the pro forma consolidated income statement and the pro forma consolidated statement of

financial position contained therein. The Independent Reporting Accountant's assurance report on the compilation of the pro forma financial information is contained in Annexure F.

PART VI: GENERAL

15. SHARE CAPITAL OF PALLINGHURST

Pallinghurst has, and will continue to have after the implementation of the Offer, an unlimited authorised share capital.

As at the Last Practicable Date, Pallinghurst has two classes of shares: Ordinary Shares and Management Shares.

The Management Shares were created due to the unique structure of Pallinghurst. Given that the Articles cater for a redemption of the Ordinary Shares on the redemption date (as defined in the Articles), it was necessary to create the Management Shares in order to allow for the de-registration and winding up of Pallinghurst post the redemption of the Ordinary Shares. No rights attach to the Management Shares whilst there are Ordinary Shares in issue.

Both before and after the implementation of the Offer, there will remain two Management Shares in issue.

The table below sets out the number of Ordinary Shares that will be in issue following the implementation of the Offer, depending on the level of acceptances received:

Level of acceptances in respect of the Offer	Number of Ordinary Shares as at the Last Practicable Date	Potential maximum number of New Pallinghurst Ordinary Shares (millions)*	Potential maximum enlarged number of Ordinary Shares following implementation of the Offer (millions)	Percentage of Ordinary Shares held by Gemfields Shareholders in the potential maximum enlarged share capital of Pallinghurst*
100% ⁽¹⁾	760 452 631	634.1	1,394.5	45.5%
75%	760 452 631	351.9	1,112.4	31.6%
60%	760 452 631	182.6	943.1	19.4%

* including such number of Gemfields Shares that the Company and any of its wholly owned subsidiaries has acquired or agreed to acquire whether pursuant to the Offer or otherwise. Level of acceptances refer to the percentage of total Gemfields share capital to be owned by Pallinghurst post-completion. The number of New Pallinghurst Ordinary Shares is based on the total issued share capital of Gemfields of 549.8 million shares and a potential maximum issue of 41.1 million Gemfields Shares as a result of Gemfields option holders exercising their options.

(1) this would arise if acceptances of 90 per cent. or more of the Gemfields Shares to which the Offer relates were obtained.

16. WORKING CAPITAL STATEMENT

In the opinion of the Board, taking into account the available banking facilities and its existing cash resources, the working capital available to the Pallinghurst Group is such that:

- the Group will, in the ordinary course of business, be able to pay its debts for a period of 12 months after the date of this Circular; and
- the assets of the Group, fairly valued, will be in excess of its liabilities for a period of 12 months after the date of this Circular. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies applied in the latest audited consolidated financial statements in respect of the Group.

Pallinghurst and the Board, however, has not had access to sufficient non-public information on Gemfields to enable it to carry out an assessment of the working capital position of the Enlarged Group. However, based on Gemfields Interim Report and assuming the existing Gemfields' banking facilities remain in place, Pallinghurst and the Board are not aware of any reason why:

- the Enlarged Group would not, in the ordinary course of business, be able to pay its debts for a period of 12 months after the date of this Circular; and
- the assets of the Enlarged Group, fairly valued, would not be in excess of its liabilities for a period of 12 months after the date of this Circular. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies applied in the Gemfields AFS.

If, however, Pallinghurst is granted access to non-public business and financial information by Gemfields prior to closing of the Offer and such access is sufficient for the purposes of commenting on the sufficiency of the working capital of the Enlarged Group, Pallinghurst will publish a supplementary announcement or circular on the sufficiency of the working capital of the Enlarged Group.

17. OPINIONS AND RECOMMENDATIONS

The Board has considered the terms and conditions of the Offer. The Board is of the opinion that the Offer should be supported and unanimously recommends that Pallinghurst Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. Furthermore, the Board members who own shares in Pallinghurst intend to vote in favour of the Resolutions at the General Meeting.

The Board has also considered the Proposed Extension and believes that it is in the best interests of the Company and Shareholders as a whole, particularly when considered together with the Offer. A disposal of Pallinghurst's minority stakes in its investment platforms on the expiry of the current life of the fund would likely be expected at a material discount to the underlying value which would be to the detriment of all Shareholders. The Proposed Extension will eliminate investor uncertainty in the short-term and provide clear guidance to the market on the Company's long-term future.

18. MATERIAL LOANS

Details of the Material loans made to Pallinghurst, Gemfields and/or any of their subsidiaries, as at the Last Practicable Date, are disclosed in Paragraph 13.3 to the Revised Listing Particulars.

Details of the Material loans made to the Gemfields Group are disclosed in note 8 on page 31 of the Gemfields Interim Report.

19. MAJOR SHAREHOLDERS

Those Pallinghurst Shareholders (excluding the Directors whose interests are detailed in paragraphs 20 below), who directly or indirectly, beneficially hold interests of 5% or more of the total issued share capital of Pallinghurst as at the Last Practicable Date and immediately after the implementation of the Offer are set out below:

Name	As at the Last Practicable Date		Immediately following completion of the Offer*	
	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue
Old Mutual Investment Group (South Africa) (Pty) Ltd	71,848,735	9.45%	72,373,985	5.19%
Oasis Asset Management Ltd	68,470,365	9.00%	79,947,518	5.73%
Solway Finance Limited	67,386,056	8.86%	67,386,056	4.83%
Ophorst van Marwijk Kooy Vermogensbeheer N.V.	49,188,193	6.47%	57,203,899	4.10%
Oasis Crescent Capital (Pty) Ltd	47,296,088	6.22%	47,296,088	3.39%
Investec Asset Management	45,231,744	5.95%	45,231,744	3.24%
Government Employees Pension Fund (GEPF)	32,734,325	4.30%	32,734,325	2.35%
Investec Pallinghurst (Cayman) L.P.	0	0.00%	130,401,519	9.35%
NGPMR (Cayman) L.P.	0	0.00%	138,469,734	9.93%

* The number of New Pallinghurst Ordinary Shares is based on the total issued share capital of Gemfields of 549.8 million shares and a potential maximum issue of 41.1 million options over Gemfields Shares as a result of Gemfields option holders exercising their options.

As at the Last Practicable Date, Pallinghurst did not have a controlling shareholder. Assuming implementation of the Offer, it is anticipated that Pallinghurst will not have a controlling shareholder.

20. DIRECTORS' INTERESTS

20.1. Directors' interests in securities

Directors' interest in Ordinary Shares (as at the Last Practicable and following the Offer) are set out below:

Name	As at the Last Practicable Date		Immediately following completion of the Offer*	
	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue
Dr Christo Wiese ⁽¹⁾	151,238,953	19.89%	156,003,606	11.19%
The Brian Gilbertson Discretionary Settlement ⁽²⁾	24,261,669	3.19%	24,261,669	1.74%
Arne H. Frandsen	4,237,369	0.56%	4,237,369	0.30%
Andrew Willis	2,446,054	0.32%	2,446,054	0.18%
Clive Harris	437,652	0.06%	437,652	0.03%

Notes:

- (1) Dr Wiese holds indirect interests in 149,034,253 shares via the following entities: Radaj 2 (Pty) Ltd (12.51%), Radaj 2 (Pty) Ltd #2 (4.14%), Titan Share Dealers (Pty) Ltd (1.41%), Investec Bank (Switzerland) AG (0.79%), Citiclient Nominees No 8 LDN GW (0.73%) and Titan Share Dealers (Pty) Ltd (TIT47) (0.02%). In addition, a further 2,204,700 Ordinary Shares, or 0.29%, are held by members of Dr Wiese's immediate family; including these shares would increase Dr Wiese's total shareholding to 19.89%.

- (2) A discretionary trust of which Brian Gilbertson and Sean Gilbertson are beneficiaries.

The above table represents shareholdings for each of the entities but does not show see-through holdings. For example, the largest see-through holding would be for Brian Gilbertson who has an interest in Autumn Holdings Asset Inc., Pallinghurst Resources Management L.P. and Pallinghurst (Cayman) Founder L.P. Separately, Brian Gilbertson through his trust currently owns 3.19% in Pallinghurst. Similarly, Sean Gilbertson has an interest in Autumn Holdings Asset Inc. and is named as a beneficiary of the trust holding the 3.19% stake in Pallinghurst.

- * The number of New Pallinghurst Ordinary Shares is based on the total issued share capital of Gemfields of 549.8 million shares and a potential maximum issue of 41.1 million Gemfields Shares as a result of Gemfields option holders exercising their options.

No Director has resigned during the 18 months prior to the Last Practicable Date.

20.2. Directors' interests in the Offer

No Director had any Material beneficial interest, whether direct or indirect, in the Offer or any other transactions that were effected by Pallinghurst during the current or immediately preceding financial year, or during an earlier financial year and remain in any respect outstanding or unperformed.

Directors' interests in Gemfields Shares (as at the Last Practicable Date and following the Offer) are set out below:

Name	As at the Last Practicable Date		Immediately following completion of the Offer	
	No. of Ordinary Shares	As a percentage of total issued Ordinary Shares	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue
Dr Christo Wiese ⁽¹⁾	2,494,583	0.45%	0	0
Andrew Willis ⁽²⁾	18,000	0.00%	0	0
Executive Directors direct and indirect interests ⁽³⁾	7,965,889	1.45%		

Notes:

- (1) Dr. Christo Wiese holds an indirect interest in Gemfields via Telamon Inc.

- (2) Andrew Willis' interest in Gemfields is held through a contract for difference and not directly in Gemfields Shares.

- (3) As at the date of this document, Brian Gilbertson, Arne H. Frandsen and Andrew Willis each hold interests in Pallinghurst (Cayman) Founder L.P. which in turn holds 5,391,081 Gemfields Shares via Faberge Conduit Limited. Brian Gilbertson holds an interest in Autumn Holdings Asset Inc (a family trust in which Brian Gilbertson and his immediate members of his family are beneficiaries) which in turn holds 988,079 Gemfields Shares and he also holds a 25% interest in Pallinghurst Resources Management L.P., which in turn holds 1,586,729 Gemfields Shares.

21. DIRECTORS REMUNERATION, BENEFITS, AND SHARE OPTIONS

Details of the Directors' remuneration, benefits and share options are set out in Appendix 6 to the Revised Listing Particulars.

22. EXPENSES

As at the Last Practicable Date, details of the estimated expenses (excluding VAT) of the Offer and other transactions contemplated in this Circular, which will be settled out of cash, are set out below:

Details of the expense	Paid/Payable to	Estimated cost- US\$'000	Estimated cost- ZAR'000
Financial Advisor and transaction sponsor ⁽¹⁾	UBS	3,000	39,193
Independent Reporting Accountants	Deloitte	297	3,880
Legal Advisor to Pallinghurst as to South African Law	ENSAfrica	230	3,005
Legal Advisor to Pallinghurst as to English Law	White & Case	1,284	16,774
Legal Advisor to Pallinghurst as to Guernsey law	Mourant Ozannes	257	3,357
Legal Advisor to Pallinghurst as to Zambian Law	Musa Dudhia & Co	10	131
Administrator		10	131
Documentation fees	JSE	10	131
Listing fees	JSE	30	392
UK Regulatory	FCA / Takeover Panel	116	1,515
Printing and postage	Computershare	50	653
		<u>5,294</u>	<u>69,162</u>

(1) UBS Limited and UBS South Africa have contracted as part of one mandate to provide financial advisory and transaction sponsor services. There is no separate fee allocated to these services.

23. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 3, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the JSE Listings Requirements.

24. HISTORY OF CHANGE

There has been no change in the trading objects of Pallinghurst and its subsidiaries or in Gemfields, in the last five years.

25. LITIGATION STATEMENT

There are no legal or arbitration proceedings, pending or threatened, of which Pallinghurst is aware, that may have or have had, in the 12 month period prior to the Last Practicable Date, resulting in a Material effect on the financial position of the Group. Similarly, there are no legal or arbitration proceedings, pending or threatened, of which Pallinghurst is aware, that may have or have had, in the 12 month period prior to the Last Practicable Date, resulting in a Material effect on the financial position of Pallinghurst. There are no legal or arbitration proceedings, pending or threatened, disclosed in the Gemfields AFS or Gemfields Interim Report and this information is not publicly available.

26. MATERIAL CHANGES

There have been no Material changes in the financial or trading position of Pallinghurst and its subsidiaries that has occurred since the end of the last financial period for which the audited annual financial statements have been published.

Gemfields has not publicly disclosed any Material changes in its financial or trading position since 31 December 2016, being the date to which the latest Gemfields Interim Report of the Gemfields Group was published.

27. MATERIAL CONTRACTS OF PALLINGHURST

Other than those set out in Annexure G to this Circular, neither Pallinghurst nor any of its subsidiaries has entered into any restrictive funding arrangements or contracts that are not carried on in the ordinary course of business, or proposed to be carried on, by Pallinghurst, either in the two years prior to the date of this Circular or containing an obligation or settlement that is Material to Pallinghurst or its subsidiaries as at the date of this Circular.

Gemfields has not disclosed details of its Material contracts in the Gemfields AFS or the Gemfields Interim Report and this information is not publicly available.

28. IRREVOCABLE UNDERTAKINGS BY SHAREHOLDERS

Each out of the Shareholders set out below, collectively representing 50.3% of the total issued Ordinary Shares, has given an Irrevocable Undertaking to Pallinghurst to procure that its shares are voted in favour of the Resolutions proposed at the General Meeting on which they are entitled to vote:

- Titan Nominees Proprietary Limited in respect of 151,238,953 Ordinary Shares, representing approximately 19.89%;
- Oasis Asset Management Limited in respect of 68,470,365 Ordinary Shares, representing approximately 9.00%;
- Oasis Crescent Capital Proprietary Limited in respect of 47,296,088 Ordinary Shares, representing approximately 6.22%;
- Solway Finance Limited in respect of 67,386,056 Ordinary Shares, representing approximately 8.86%;
- Affinity Trust Limited ATO The Brian Gilbertson Discretionary Settlement in respect of 24,261,669 Ordinary Shares, representing approximately 3.19%;
- Arne H. Frandsen in respect of 4,237,369 Ordinary Shares, representing approximately 0.56%;
- Andrew Willis in respect of 2,446,054 Ordinary Shares, representing approximately 0.32%;
- Sean Gilbertson in respect of 4,175,536 Ordinary Shares, representing approximately 0.55%;
- Priyank Thapliyal in respect of 4,175,536 Ordinary Shares, representing approximately 0.55%;
- Hlamogolo Capital Proprietary Limited in respect of 8,325,334 Ordinary Shares, representing approximately 1.09%; and
- Clive Harris in respect of 437,652 Ordinary Shares, representing approximately 0.06%.

In aggregate, Pallinghurst has received Irrevocable Undertakings in respect of interests of a total of 382,450,612 Ordinary Shares representing, approximately, 50.3% of the total issued share capital of Pallinghurst as at 17 May 2017 (being the Last Practicable Date). The Irrevocable Undertakings commit the Shareholders to vote in favour of the Ordinary and Special Resolutions.

These Irrevocable Undertakings cease to be binding upon the earlier of: (i) the date on which the Conditions lapse as a result of the failure or non-fulfilment of any of the Conditions; or (ii) the date on which the Offer is implemented.

29. EXPERTS' CONSENTS

The Corporate Advisor, Transaction Sponsor, Independent Reporting Accountants, Communications Advisor, Legal Advisors to Pallinghurst and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and have not, withdrawn their consents prior to publication of this Circular and the Revised Listing Particulars which forms part thereof.

30. SPONSOR INDEPENDENCE

UBS South Africa (Pty) Limited is acting as Transaction Sponsor to Pallinghurst and UBS Limited is acting as Financial Advisor to Pallinghurst.

Notwithstanding the above, UBS South Africa (Pty) Limited does not believe this will compromise its independence to act as Transaction Sponsor to Pallinghurst due to the team which provides the

sponsor services to Pallinghurst forms part of UBS South Africa (Pty) Limited, which is separate to the team that is acting as Financial Advisor to Pallinghurst, being, UBS Limited

31. VENDORS

No promoter or Director had any beneficial interest, direct or indirect, in the Offer and no promoter or Director was a member of any partnership, syndicate or other association of persons that had such an interest.

No cash or Ordinary Shares have been paid or any benefit given to any promotor in the preceding three years.

32. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents relating to Pallinghurst and Gemfields or copies thereof, will be available for inspection at the South African registered office of Pallinghurst, Nexia SAB&T, 119 Witch-Hazel Avenue, Highveld Technopark, Centurion, 0046, South Africa during normal business hours from Friday, 2 June 2017 up to and including Monday, 26 June 2017:

- 32.1. the Articles (as amended by the Resolutions);
- 32.2. a signed copy of this Circular;
- 32.3. the Gemfields constitutional documents;
- 32.4. the Independent Reporting Accountants report on the pro forma financial information of Pallinghurst;
- 32.5. copies of service agreements with directors, managers or secretaries; underwriters, vendors and promoters entered into during the last three years, including the Service Agreements;
- 32.6. the Material contracts;
- 32.7. the consent letters referred to in paragraph 29 above;
- 32.8. signed copies of the Irrevocable Undertakings;
- 32.9. the interim financial report for Gemfields for the six months ending 31 December 2016, 31 December 2015 and 31 December 2014;
- 32.10. audited annual financial statements for Gemfields for the years ended 30 June 2016, 30 June 2015 and 30 June 2014;
- 32.11. the audited annual financial statements for Pallinghurst for the years ended 31 December 2016, 31 December 2015 and 31 December 2014; and
- 32.12. the Offer Announcement.

33. DOCUMENTS INCORPORATED BY REFERENCE

The following information has been incorporated by reference and is available for viewing on the Company's website at www.pallinghurst.com/gemfields-offer/ and is available for inspection at the South African Company's registered office in accordance with the provisions of clause 32 above:

- 33.1. the Gemfields Annual Report and Financial Statements for the financial year ending 30 June 2016;
- 33.2. Gemfields Annual Report and Financial Statements for the financial year ending 30 June 2015;
- 33.3. Gemfields Annual Report and Financial Statements for the financial year ending 30 June 2014;
- 33.4. Gemfields Interim Report and Financial Statements for the six months ended 31 December 2016;
- 33.5. Gemfields Interim Report and Financial Statements for the six months ended 31 December 2015;

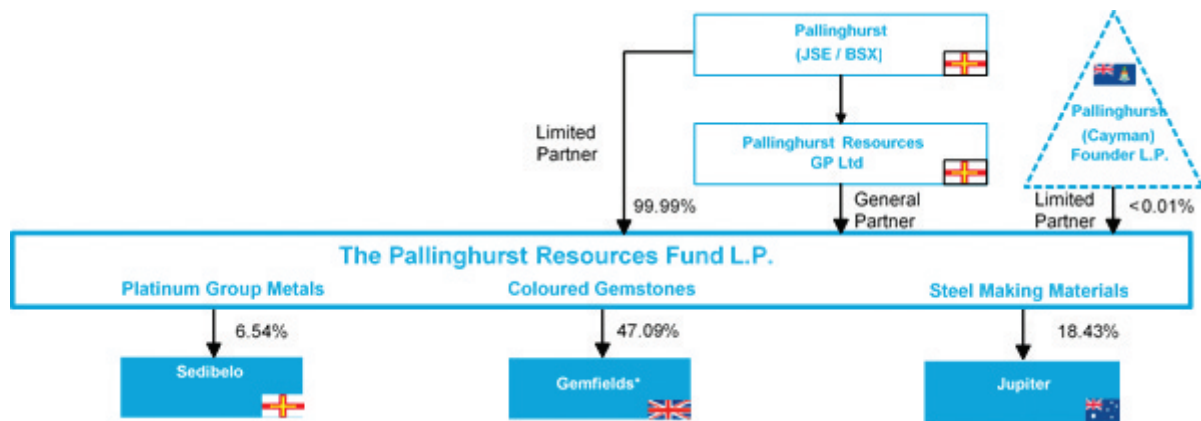
- 33.6. Gemfields Interim Report and Financial Statements for the six months ended 31 December 2014; and
- 33.7. the information on the mineral assets of Gemfields contained in the Gemfields AFS and, in particular, from pages 22 to 41 thereof.

Signed at Geneva by Arne H. Frandsen in his capacity as Chief Executive Officer on behalf of all the directors of Pallinghurst, duly authorised in terms of powers of attorney signed by each of Pallinghurst's Directors:

Arne H. Frandsen
2 June 2017
Duly Authorised

Annexure A

Pallinghurst Group Structure (existing structure)



* The Pallinghurst Resources Fund L.P. holds a direct interest in Gemfields as well as an indirect interest in Gemfields through its holding in Fabergé Conduit Limited.

Annexure B

Salient terms of Service Agreements

1. Commencement Date and Period of Employment

The Service Agreement will become effective on 19 September 2017 ("**Commencement Date**").

The Executive's employment in terms of the Service Agreement is for a fixed period of 5 years and the Service Agreement shall automatically expire on the 5th anniversary of the Commencement Date ("**Expiry Date**") unless the Executive's employment has been terminated prior thereto for any reason regarded as sufficient in law.

2. Cash Remuneration Structure

As remuneration for the Executive's services and with effect from the Commencement Date, Pallinghurst shall pay to the Executive USD 50,000 (fifty thousand United States Dollars), less tax and other lawful deductions per month ("**Base Compensation**").

In addition to the Base Compensation, in relation to any calendar year (the "**Relevant Year**"), the Executive will be entitled to an annual bonus ("**Annual Bonus**") in the event that the sum of: (i) the VWAP determined over the last 30 (thirty) trading days of the Relevant Year; and (ii) the aggregate dividends (whether in cash or the market value of a dividend in specie) per Ordinary Share declared during the Relevant Year (such sum being the "**Adjusted Share Price**") has increased by 10% or more when compared to the Adjusted Share Price for the year preceding the Relevant Year. For purposes of this paragraph, the first Relevant Year shall be 2017 ("**First Bonus Year**").

In the event that the Adjusted Share Price for the Relevant Year has:

- increased by 10% or more but less than 15% when compared to:
 - in respect of the First Bonus Year, R3.45 (three Rand and forty five cents), being the closing price of the Ordinary Shares on the Last Practicable Date (the "**Option Price**"), and
 - in respect of any other Relevant Year, the Adjusted Share Price determined over the same period of the previous year,

the Annual Bonus shall be an amount of 25% (twenty five percent) of the total Base Compensation payable for the Relevant Year;

- increased by 15% or more but less than 20% when compared to:
 - in respect of the First Bonus Year, the Option Price; and
 - in respect of any other Relevant Year, the Adjusted Share Price determined over the same period of the previous year,

the Annual Bonus shall be an amount of 50% (fifty percent) of the total Base Compensation payable for the Relevant Year;

- increased by 20% or more but less than 25% when compared to:
 - in respect of the First Bonus Year, the Option Price; and
 - in respect of any other Relevant Year, the Adjusted Share Price determined over the same period of the previous year,

the Annual Bonus shall be an amount of 75% (seventy five percent) of the total Base Compensation payable for the Relevant Year; and

- increased by 25% or more when compared to:
 - in respect of the First Bonus Year, the Option Price; and
 - in respect of any other Relevant Year, the Adjusted Share Price determined over the same period of the previous year,

the Annual Bonus shall be an amount of 100% (one hundred percent) of the total Base Compensation payable for the Relevant Year.

For the avoidance of doubt, in the event that the Adjusted Share Price for any Relevant Year has decreased, remained unchanged or increased by less than 10% when compared to the Adjusted Share Price determined over the same period of the previous year, no Annual Bonus shall be payable in respect of the Relevant Year.

3. Share Options

In addition to the cash remuneration described in paragraph 2 above, each Executive is granted such number of Options pursuant to the Pallinghurst Share Plan as is equal to 2% of the issued Ordinary Shares on the Commencement Date.

4. Restraint

Prior to entering into the Service Agreements, none of Brian Gilbertson, Arne H. Frandsen and Andrew Willis were subject to any restraint undertakings in favour of Pallinghurst. In terms of the Service Agreements, the aforementioned Executives will be committing to a restraint on the terms set out below.

For the duration of the Service Agreement, the Executive shall not, without Pallinghurst's prior written consent, whether as proprietor, partner, director, shareholder, member, employee, contractor, financier, agent, representative, assistant, trustee or beneficiary of a trust or otherwise, and whether for reward or not, directly or indirectly be interested or engaged in or concerned with or employed by any business, trade, undertaking or concern which competes with the business of the Pallinghurst Group, provided that he shall not be deemed to have breached this undertaking by reason of his holding shares in any company the shares of which are listed on a recognised stock exchange if the shares owned by him (including indirectly through any other entity) do not in the aggregate constitute more than 5% (five per cent) of any class of the issued share capital of such company.

In the event that the Executive ceases to be employed by Pallinghurst as a result of: (i) his resignation; or (ii) the termination of his employment by Pallinghurst by reason of gross misconduct and/or fraud, the above restraint shall continue to apply for a period of 12 (twelve) months following the date upon which the Executive ceases to be employed by the Company. The Executive will also not be entitled to any compensation from Pallinghurst during this period.

5. Termination

The Service Agreement may be terminated, *inter alia*, by:

- the Executive giving Pallinghurst not less than 6 (six) months written notice; or
- Pallinghurst giving the Executive not less than 3 (three) months written notice.

In the event that the Executive ceases to be employed by Pallinghurst prior to the Expiry Date for any reason other than: (i) his resignation; (ii) the termination of his employment by Pallinghurst by reason of gross misconduct or fraud; or (iii) his death or disability (in respect of disability, whether employment is terminated by Pallinghurst or the Executive as a result thereof), Pallinghurst shall:

- within 6 (six) months of the date on which the Executive ceases to be employed by the Company ("Executive **Termination Date**"), make payment to the Executive of an amount equal to:
 - in the event that termination occurs within the first year (being the period from the Commencement Date and terminating one day prior to the first anniversary of the Commencement Date) ("**First Year**"), the aggregate Base Compensation that would have been payable by Pallinghurst for the remaining duration of the First Year and the whole of the second year (being the period commencing on the 1st (first) anniversary of the Commencement Date and terminating 1 (one) day prior to the 2nd (second) anniversary of the Commencement Date) ("**Second Year**") had the employment of the Executive not been terminated;
 - in the event that the Executive Termination Date occurs at any time after the First Year, the aggregate Base Compensation that would have been payable by the Company for 12 (twelve) months following the Executive Termination Date had the employment of the Executive not been terminated; and

- continue to make payment to the Executive of the Annual Bonus in terms of the Service Agreement:
 - in the event that termination occurs within the First Year, as if the employment of the Executive remained employed by Pallinghurst for the remainder of the First Year and the whole of the Second Year; and
 - in the event that the Executive Termination Date occurs at any time after the First Year, as if the Executive remained employed by the Company for a period of 12 (twelve) months following the Executive Termination Date.

In the event that the Executive ceases to be employed by Pallinghurst prior to the Expiry Date as a result of his death or disability (in respect of disability, whether the employment is terminated by Pallinghurst or the Executive as a result thereof), Pallinghurst shall make payment to the Executive of:

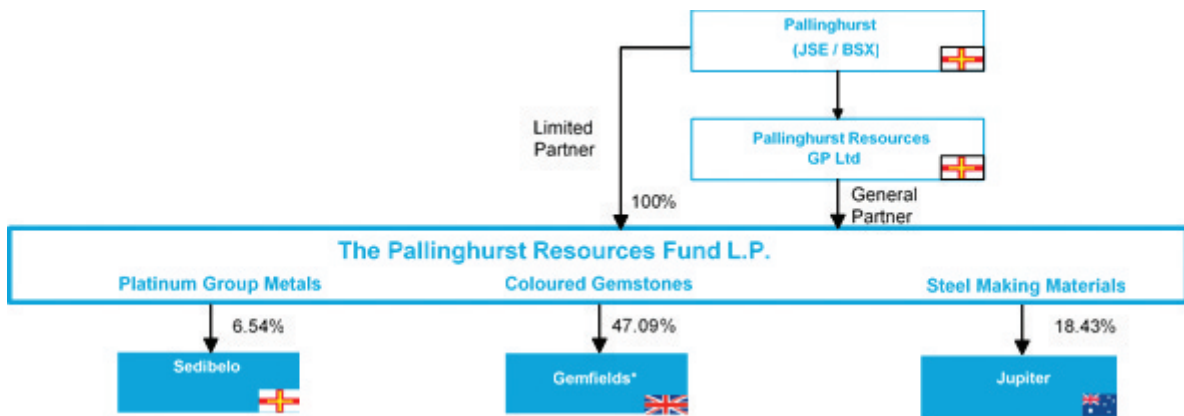
- within 6 (six) months of the Executive Termination Date, an amount equal to the aggregate Base Compensation that would have been payable by Pallinghurst for the six months following the Executive Termination Date had the employment of the Executive not been terminated; plus
- the full amount of any Annual Bonus that would otherwise have been payable to the Employee had the Executive Termination Date occurred 6 (six) months later, on the date that such amounts would otherwise have been payable.

6. General

In addition to the above, the Service Agreement also contains provisions regarding confidentiality and the protection of personal information typical for an agreement of this nature.

Annexure C

Pallinghurst Group Structure (post adoption of new management structure)



* The Pallinghurst Resources Fund L.P. holds a direct interest in Gemfields as well as an indirect interest in Gemfields through its holding in Fabergé Conduit Limited.

Annexure D
Pallinghurst Share Plan

EMPLOYEE SHARE OPTION SCHEME

adopted by

PALLINGHURST RESOURCES LIMITED

(an authorised closed-ended investment company incorporated under The Companies (Guernsey) Law 2008 and registered in Guernsey, with registered number 47656)

(Registered as an external company in South Africa under registration number 2009/012636/10 on 26 June 2009)

1. INTERPRETATION AND PRELIMINARY

The headings of the clauses in this deed are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this deed nor any clause hereof. Unless a contrary intention clearly appears :

1.1. words importing :

- 1.1.1. any one gender include the other of masculine, feminine and neuter;
- 1.1.2. the singular include the plural and *vice versa*; and
- 1.1.3. natural persons include created entities (corporate or unincorporate) and the state and *vice versa*;

1.2. the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:

- 1.2.1. **"Auditors"** means the auditors for the time being of the Company;
- 1.2.2. **"Capitalisation Issue"** means the issue of Shares as fully paid up by a capitalisation of the Company's profits and/or reserves (including the share premium account and/or the capital redemption reserve fund) and/or any other permitted manner;
- 1.2.3. **"Company"** means Pallinghurst Resources Limited, an authorised closed-ended investment company duly registered and incorporated in accordance with Guernsey law (registration number 47656), and registered as an external company in South Africa (registration number 2009/012636/10), and whose Shares are listed on the JSE and the Bermuda Stock Exchange;
- 1.2.4. **"Control"** means in relation to: (a) a juristic person the ability of another person, directly or indirectly, to ensure that the activities and business of that juristic person are conducted in accordance with the wishes of the latter person, and the latter person shall be deemed to so control the juristic person if the latter person owns, directly or indirectly, the majority of the issued share capital, members interest or equivalent equity and/or holds, directly or indirectly, the majority of the voting rights in the juristic person or the latter person has the right to receive the majority of the income of that juristic person on any distribution by it of all of its income or the majority of its assets on its winding-up; and (b) a trust the ability to control the majority of the votes of the trustees or to appoint the trustees holding the majority of the voting rights of trustees and such trust operates for the benefit of such person, and **"Controlling"** and **"Control"** shall be construed accordingly;
- 1.2.5. **"Directors"** means the board of directors for the time being of the Company or any committee thereof to whom the powers of the directors in respect of the Scheme are delegated in terms of the Company's constitutional documents;
- 1.2.6. **"Disability"** means a state of occupational disability which, in the opinion of a specialist medical practitioner of not less than 10 (ten) years' standing, is brought about as a result of injury, deterioration in health or surgical operation, rendering the person concerned (for a period of not less than 6 (six) consecutive calendar months) totally incapable of earning an income from -
 - 1.2.6.1. his own occupation; or
 - 1.2.6.2. any similar occupation; or
 - 1.2.6.3. any other occupation for which he is fitted by his knowledge, training, status or ability;
- 1.2.7. **"Employee"** means anyone (including an executive director) employed by the Company or any of its subsidiaries;
- 1.2.8. **"Gemfields"** means Gemfields plc (registration number 05129023), a public company duly registered and incorporated in accordance with the laws of England and Wales and whose shares are listed on the Alternative Investment Market of the London Stock Exchange;

- 1.2.9. “**JSE**” means the exchange operated by JSE Limited (Registration No. 2005/022939/06) (or any other name by which it may be known in the future) or its successor body;
- 1.2.10. “**Listings Requirements**” means the Listings Requirements of the JSE as amended, updated or superseded from time to time;
- 1.2.11. “**Middle Market Price**” means the average of the best offer to buy and the best offer to sell a Share on any trading day on the JSE and as reflected in the official price list published by the JSE;
- 1.2.12. “**Option**” means an option to subscribe for Shares in the Company granted in terms of this Scheme;
- 1.2.13. “**Option Date**” means the date upon which an Option is granted to an Option Holder;
- 1.2.14. “**Option Holder**” means any Employee to whom an Option has been granted;
- 1.2.15. “**Option Price**” means:
 - 1.2.15.1. in respect of an Option granted on or before 31 December 2017, R3.45 (three Rand and forty five cents), being the closing price of a Share (as shown by the official price list published by the JSE) on 17 May 2017; and
 - 1.2.15.2. in respect of an Option granted after 31 December 2017, the Middle Market Price of a Share on the most recent trading day on the JSE immediately preceding the Option Date;
- 1.2.16. “**Related Entity**” means:
 - 1.2.16.1. a trust established primarily for the benefit of an Option Holder and/or his spouse and/or his children; or
 - 1.2.16.2. a private company, close corporation or other entity in which all the shares (or equivalent member's interest) are held or beneficially owned by the Option Holder and/or his spouse and/or his children;
- 1.2.17. “**Rights Issue**” means the offer of any securities of the Company to all Shareholders of the Company *pro rata* to their holdings;
- 1.2.18. “**Scheme**” means the scheme as set out in this deed, as amended from time to time in terms hereof;
- 1.2.19. “**Scheme Share**” means any Share in respect of which an Option has been granted but not yet exercised;
- 1.2.20. “**Share**” means an ordinary share in the capital of the Company with a par value of USD0.00001 each;
- 1.2.21. “**Shareholder**” means a holder of Shares from time to time;
- 1.2.22. “**Signature Date**” means the date of signature of this deed;
- 1.2.23. “**Takeover Offer**” means the takeover offer made or to be made by the Company to acquire the remaining issued share capital of Garrincha not already owned by the Company; and
- 1.2.24. “**Termination Date**” means the date upon which an Employee's employment with the Company ceases or is terminated for any reason whatsoever;
- 1.3. any reference to an enactment is to that enactment as at the Signature Date and as amended or re-enacted from time to time and includes any subordinate legislation made from time to time under such enactment. Any reference to a particular section in an enactment is to that section as at the Signature Date, and as amended or re-enacted from time to time and/or an equivalent measure in an enactment, provided that if as a result of such amendment or re-enactment, the specific requirements of a section referred to in this deed are changed, the relevant provision of this deed shall be read also as if it had been amended as necessary, without the necessity for an actual amendment;

- 1.4. if any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the deed;
- 1.5. when any number of days is prescribed in this deed, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday in South Africa, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday in South Africa;
- 1.6. expressions defined in this deed shall bear the same meanings in schedules or annexures to this deed which do not themselves contain their own conflicting definitions;
- 1.7. reference to day/s, month/s or year/s shall be construed as Gregorian calendar day/s, month/s or year/s;
- 1.8. the use of any expression in this deed covering a process available under South African law such as a winding-up (without limitation *eiusdem generis*) shall, if any of the parties to this deed is subject to the law of any other jurisdiction, be construed as including any equivalent or analogous proceedings under the law of such defined jurisdiction;
- 1.9. if any term is defined within the context of any particular clause in this deed, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this deed, notwithstanding that that term has not been defined in this interpretation clause;
- 1.10. the expiration or termination of this deed shall not affect such of the provisions of this deed as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this;
- 1.11. the rule of construction that a contract shall be interpreted against the party responsible for the drafting or preparation of the contract, shall not apply;
- 1.12. any reference in this deed to a party shall include a reference to that party's assigns expressly permitted under this deed and, if such party is liquidated or sequestrated, be applicable also to and binding upon that party's liquidator or trustee, as the case may be.
- 1.13. the words "include", "including" and "in particular" shall be construed as being by way of example or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding word/s;
- 1.14. any reference in this deed to any other agreement or document shall be construed as a reference to such other agreement or document as same may have been, or may from time to time be, amended, varied, novated or supplemented; and
- 1.15. the words "other" and "otherwise" shall not be construed *eiusdem generis* with any preceding words if a wider construction is possible.

2. PURPOSE

The Scheme is intended as an incentive to Employees to promote the continued growth of the Company by giving them an opportunity to acquire Shares therein, thereby aligning their interests with those of Shareholders and simultaneously encouraging Employee retention and motivation.

3. SHARES AVAILABLE FOR THE SCHEME

- 3.1. The aggregate number of unissued Shares reserved for the Scheme is 167 341 281 (one hundred and sixty seven million three hundred and forty one thousand two hundred and eight one) (the "**Total Shares**"). The Total Shares may be increased with the approval of the Company in general meeting in accordance with the Listings Requirements (being an ordinary resolution requiring a 75% (seventy five per cent) majority of votes cast in favour).
- 3.2. The maximum number of Shares in respect of which any one Option Holder shall be entitled to exercise an Option in terms of the Scheme shall be determined by the Directors in their sole and absolute discretion, provided that they shall not make a determination exceeding 27 890 213 (twenty seven million eight hundred and ninety thousand two hundred and thirteen) Shares.

3.3. The limit determined in terms of clause 3.2 shall be adjusted in such manner as the Auditors or other independent advisers, appointed by the Directors, acting as experts and not as arbitrators, certify as giving an Option Holder an entitlement to the same proportion of equity capital as that to which he was previously entitled and is otherwise fair and reasonable in the circumstances as a result of -

3.3.1. the sub-division or consolidation of Shares; or

3.3.2. the issue of additional Shares whether by way of a Capitalisation Issue, a dividend Capitalisation Issue, a Rights Issue, a special dividend, a reduction of capital, share repurchase or otherwise.

4. **ELIGIBILITY**

4.1. Employees shall be eligible to participate in the Scheme only if and to the extent that Options are granted to them.

4.2. The Directors in their sole discretion may from time to time by resolution resolve to which of the Employees Options shall be granted in terms of the Scheme. Every such resolution shall specify:

4.2.1. the name of the Employee;

4.2.2. the number of Shares in respect of which the Option is being granted;

4.2.3. the Option Date;

4.2.4. the Option Price payable by the Employee; and

4.2.5. any other relevant terms and conditions determined by the Directors.

4.3. Options may only be issued to an Option Holder once such Option Holder has formally been identified in terms of clause 4.2.

4.4. An Option which has been approved by resolution in terms of clause 4.2 shall be granted: (i) by delivery to the Option Holder concerned of a written notice; or (ii) the signature of an agreement by the Option Holder and the Company, specifying the matters set out in clause 4.2 above.

5. **THE OPTIONS**

5.1. An Option shall be granted at the Option Price.

5.2. An Option shall be governed by the provisions of this deed, to which the Option Holder shall strictly adhere.

5.3. The Shares which are the subject of an Option (the "**Option Shares**") shall be divided into five equal tranches of 20% (twenty percent) (each of which being a "**Tranche**"), with each of such Tranches (subject to clauses 5.6 and 5.7) being exercisable as follows:

5.3.1. the 1st (first) Tranche shall be exercisable with effect from the Option Date;

5.3.2. the 2nd (second) Tranche shall be exercisable with effect from the 1st anniversary of the Option Date;

5.3.3. the 3rd (third) Tranche shall be exercisable with effect from the 2nd anniversary of the Option Date;

5.3.4. the 4th (fourth) Tranche shall be exercisable with effect from the 3rd anniversary of the Option Date; and

5.3.5. the 5th (fifth) Tranche shall be exercisable with effect from the 4th anniversary of the Option Date,

each of which being an "**Exercise Date**".

5.4. If the number of Option Shares comprising any Tranche constitutes a fraction, then the number of Option Shares forming part of such Tranche shall be rounded up to the nearest whole number.

5.5. No Shares issued to an Option Holder in terms of the 1st (first) Tranche referred to in clause 5.3.1 may be sold by such Option Holder prior to the expiry of 6 (six) months following the date on which the Takeover Offer is implemented.

- 5.6. In the event that the Option Holder ceases to be employed by the Company or any of its subsidiaries:
- 5.6.1. for any reason (including as a result of his death or Disability (in respect of Disability, whether his employment is terminated by the Company or the Option Holder as a result thereof)) other than: (i) his resignation; or (ii) the termination of his employment by the Company by reason of gross misconduct or fraud:
- 5.6.1.1. in respect of an Option granted on or before 31 December 2017, the next Tranche of Option Shares which would have become exercisable after the Termination Date shall be exercisable with effect from the Termination Date (which shall be the “**Exercise Date**” in respect of such Tranche) and the remaining Tranches of Option Shares which are not yet exercisable shall lapse; and
- 5.6.1.2. in respect of an Option granted after 31 December 2017, any Tranches of Option Shares which are not yet exercisable shall lapse;
- 5.6.2. as a result of his resignation, any Option Shares which are not yet exercisable shall lapse; or
- 5.6.3. as a result of the termination of his employment by the Company by reason of gross misconduct or fraud, any Option Shares which have not yet been exercised shall lapse.
- 5.7. In the event of an offer being made to the Shareholders or a scheme of arrangement being proposed between the Company and the Shareholders or any other scheme or arrangement being proposed including the sale, re-organisation, or reconstruction of the Company's share capital by virtue of which Control of the Company shall pass to another person or company, any Tranches of Option Shares which are not yet exercisable shall immediately become exercisable (which shall be the “**Exercise Date**” in respect of such Tranches) and the Option Holder shall be entitled to exercise his right to subscribe for all of the Option Shares which have not yet been issued by no later than the date upon which such offer or scheme of arrangement or other scheme or arrangement becomes unconditional.
- 5.8. Any Option Shares which have not yet been exercised shall lapse:
- 5.8.1. in respect of Option Shares with Exercise Dates referred to in clauses 5.3.1 and 5.3.2, on the 5th anniversary of the Option Date; and
- 5.8.2. in respect of Option Shares with Exercise Dates referred to in clauses 5.3.3 to 5.3.5 (both inclusive), clause 5.6 and clause 5.7 on the expiry of 3 years following the relevant Exercise Date.
- 5.9. The Option shall be personal to and only capable of being exercised by the Option Holder (or by the executor of the deceased estate of the Option Holder), it being recorded, however, that without affecting the provisions hereof, as between the Option Holder and any Related Entity, his Option (or any portion thereof) may be assigned to such Related Entity.
- 5.10. If an Option Holder wishes to exercise an Option (or any portion thereof), he may do so only in writing within the period stipulated and shall sign such written exercise provided that after his death, such written exercise may be signed by the executor of his estate. Such written exercise of the Option must be delivered to the secretary of the Company, must be accompanied by the Option Price for the Option Shares in respect of which that exercise relates and if it is not signed by the Option Holder personally, must be accompanied by proof, to the satisfaction of the Directors, of the authority of the signatory. If the Option Holder concerned fails to deliver the Option Price in respect of the Shares in respect of which an Option has been exercised, to the secretary of the Company, simultaneously with the written exercise of the Option, such exercise shall be of no effect.
- 5.11. The Shares in respect of which an Option is duly exercised shall be fully paid, rank *pari passu* with the existing Shares and shall be allotted and issued by the Directors within 10 (ten) days after the exercise of the Option.
- 5.12. Ownership in the Shares together with the voting rights and all other rights, including the right to participate in any Rights Issues and capitalisation and dividend Capitalisation Issues and to receive dividends, which attach to such Shares, shall vest in the relevant Option Holder on exercise.

- 5.13. The company secretary of the Company shall within a reasonable period apply to the JSE for a listing of any Option Shares which are issued.
- 5.14. Any Option Shares which are not subsequently issued to the relevant Option Holder, including without limitation where such Option Shares lapse or are forfeited, shall revert back to the Scheme.

6. ADJUSTMENTS ON REORGANISATION OF COMPANY OR SHARE CAPITAL

- 6.1. If the Company, at any time before any Option is duly exercised:-

- 6.1.1. is put into liquidation for the purpose of reorganisation; or
- 6.1.2. is a party to a scheme of arrangement affecting the structure of its Share capital; or
- 6.1.3. ceases to retain a nominal value for its Shares; or
- 6.1.4. reduces its capital and/or repays its Share capital; or
- 6.1.5. sub-divides or consolidates its Shares; or
- 6.1.6. unbundles the shares of any of its subsidiaries; or
- 6.1.7. declares a special or extraordinary dividend; or
- 6.1.8. conducts a Capitalisation Issue or a Rights Issue; or
- 6.1.9. is a party to a reorganisation; or,
- 6.1.10. cancels and/or repurchases any of its own Shares,

such adjustments shall be effected to the number of Option Shares that are the subject of an Option and/or the Option Price as the Auditors or other independent advisers, appointed by the Directors, acting as experts and not as arbitrators, certify as giving an Option Holder an entitlement to the same proportion of equity capital as that to which he was previously entitled and is otherwise fair and reasonable in the circumstances.

- 6.2. Upon the liquidation of the Company otherwise than in terms of clause 6.1.1, an Option Holder shall have a claim against the Company in respect of all Shares in respect of which an Option has been granted to such Option Holder but not yet exercised or exercised but not yet been issued to such Option Holder.

7. DISPUTE

Any dispute arising under this Scheme shall be referred to the Auditors (acting as experts and not as arbitrators) whose decision shall be final and binding on all parties to the dispute.

8. AMENDMENTS

- 8.1. This deed may be amended from time to time by the Directors but:

- 8.1.1. the terms of any Option or conditions of allotment of any Scheme Shares may not be altered without such consent on the part of the beneficiaries concerned (treated as a separate class) as would be required under the Company's constitutional documents for a variation or cancellation of the rights attached to the Scheme Shares in question;
- 8.1.2. no amendment shall be made to the deed, if the Company's Shares are listed on the JSE without the prior approval of the JSE, if so required in terms of the Listings Requirements;
- 8.1.3. no amendment in respect of the following matters shall operate unless such amendment has received the approval of the Company in general meeting in accordance with the Listings Requirements (being an ordinary resolution requiring a 75% (seventy five per cent) majority of votes cast in favour):
 - 8.1.3.1. the category of persons to whom or for the benefit of whom Shares may be issued under the Scheme;
 - 8.1.3.2. the aggregate number of Shares which may be utilised for purposes of the Scheme;

- 8.1.3.3. the basis on which awards are made;
- 8.1.3.4. the fixed maximum number of Shares which may be issued to any 1 (one) Employee under the Scheme;
- 8.1.3.5. the basis for determining the Option Price which shall be a fixed mechanism for all Option Holders under the Scheme;
- 8.1.3.6. the period in which payments, or loans to provide the same, may be paid or after which payments or loans to provide the same must be paid;
- 8.1.3.7. the terms of any loan other than the interest rate payable thereon;
- 8.1.3.8. the procedure to be adopted on termination of employment of any Option Holder under the Scheme;
- 8.1.3.9. the treatment of Options (vested and unvested) in instances of mergers, take-overs or corporate action; and
- 8.1.3.10. the voting, dividend, transfer and other rights (including those arising on the liquidation of the Company) attaching to Scheme Shares.

8.2. Notwithstanding the provisions of clause 8.1, if it should become necessary or desirable by reason of the enactment of any new act or regulation at any time after the Signature Date, to amend the provisions of the Scheme so as to preserve the substance of the provisions contained herein but to amend the form so as to achieve the objectives embodied herein in the best manner having regard to such new legislation, the Directors may amend this Scheme accordingly but without causing prejudice to the beneficiaries concerned.

9. DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS

- 9.1. For so long as the Company's Shares are listed on the JSE, if so required by the Listing Requirements and subject to the provisions of any other legal requirement as regards disclosure, the Company shall disclose in its annual financial statements the number of Shares which may be utilised for the purposes of the Scheme at the beginning of a financial year, changes in such number during the financial year and the balance of securities available for utilisation for the purposes of the Scheme at the end of the financial year.
- 9.2. If the Company's Shares are listed on the JSE, the Company shall make such other disclosures as may be required in terms of the Listings Requirements from time to time.

10. ISSUE OF SHARES TO ANY PARTY

Subject to the Listings Requirements, the Company shall be entitled at any time to issue new Shares to any party outside of the Scheme on such terms and conditions as the Directors may determine. None of the Employees or Option Holders (nor their representatives nor their successors-in-title) shall have any action of whatsoever nature (including an action based on alleged oppressive or unfairly prejudicial conduct on a minority Shareholder) arising from any such issue of Shares to any party.

11. GOVERNING LAW

This deed and the Scheme shall be governed by South African law.

THUS DONE and SIGNED at [•] on this [•] day of [•] 20[•].

AS WITNESSES

1.

2.

Director

Approved by an ordinary resolution passed at a general meeting of the Company held at [•] on [•] 20[•]

Annexure E

Pro forma financial information of Pallinghurst

The pro forma income statement for the year ended 31 December 2016 and the pro forma balance sheet as at 31 December 2016 are presented below to provide information on how the Offer might have impacted the results and financial position of Pallinghurst. The Financial Effects are presented in accordance with the Listings Requirements of the JSE and the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants.

The Financial Effects and *pro forma* information have been prepared for illustrative purposes only to provide information on how the Offer might have impacted the financial statements and financial position of Pallinghurst assuming the Offer had been implemented at 31 December 2016 for balance sheet purposes and with effect from 1 January 2016 for income statement purposes. Due to their nature, the Financial Effects may not give a fair presentation of Pallinghurst's financial position, changes in equity or results of operations or cash flows after the Offer.

Basis of preparation

The pro forma income statement is based on the income statement of the Group for the year ended 31 December 2016 and the pro forma balance sheet is based on the balance sheet of the Group as at 31 December 2016, both of which have been extracted without adjustment from Pallinghurst's published financial statements as at 31 December 2016. The other adjustments are discussed in the notes below. The accounting policies used in the preparation of the pro forma statement are consistent with those used by Pallinghurst in its audited consolidated financial statements as at and for the year ended 31 December 2016 which are available on its website at www.pallinghurst.com.

The compilation, contents and preparation of the Financial Effects are the responsibility of the Directors.

The Financial Effects and pro forma information as set out below should be read in conjunction with the Independent Reporting Accountants' assurance report set out in Annexure F to this Circular.

Pro forma income statement of the Enlarged Group

	Pallinghurst income statement for the year-ended 31 December 2016	Adjustments Transaction costs	Enlarged Group pro forma income statement for the year-ended 31 December 2016
	US\$'000 1	US\$'000 2	US\$'000 3
INCOME			
Investment portfolio			
Unrealised fair value gains	49,768		49,768
Unrealised fair value losses	—		—
Investment portfolio revenue			
Loan interest income	619		619
Net gain on investments and income from operations	<u>50,387</u>		<u>50,387</u>
EXPENSES			
Investment Manager's benefit	(4,988)		(4,988)
Operating expenses	(904)	(2,670)	(3,574)
Foreign exchange gains	9		9
Net gain/(loss) from operations	<u>44,504</u>	<u>(2,670)</u>	<u>41,834</u>
Finance income	1		1
Finance costs	(3)		(3)
Net finance income	<u>(2)</u>		<u>(2)</u>
Profit/(loss) before fair value gain of associates	<u>44,502</u>	<u>(2,670)</u>	<u>41,832</u>
Fair value gain of associates	71		71
Profit/(loss) before tax	<u>44,573</u>	<u>(2,670)</u>	<u>41,903</u>
Tax	(3)		(3)
Net profit/(loss) after tax	<u>44,570</u>	<u>(2,670)</u>	<u>41,900</u>
Number of shares in issue⁽⁴⁾	760,452,631	1,394,510,673	1,394,510,673
Other comprehensive income	—		—
Total comprehensive income/(loss)	<u>44,570</u>	<u>(2,670)</u>	<u>41,900</u>
Basic earnings/(loss) per share ⁽⁴⁾	0.06	(0.002)	0.03
Diluted earnings/(loss) per share ⁽⁴⁾	0.06	(0.002)	0.03
Headline earnings/(loss) per share ⁽⁴⁾	0.06	(0.002)	0.03
Diluted Headline earnings/(loss) per share ⁽⁴⁾	0.06	(0.002)	0.03

Notes:

- (1) The income statement of the Group for the year-ended 31 December 2016 has been extracted without adjustment from the published audited financial statements of Pallinghurst for the year ended 31 December 2016 which are available at www.pallinghurst.com.
- (2) This adjustment represents the once-off transaction costs of the Offer reflected in the income statement.
- (3) This represents the pro forma income statement of the Enlarged Group as if the transaction had completed on 1 January 2016.
- (4) The impact on the basic earnings, diluted earnings, headline earnings and diluted headline earnings per share has been calculated by assuming an increase in the weighted average number of shares in issue of 634,058,042. This is based on the potential maximum number of shares expected to be issued to complete the Offer as set out on page 18 of this Circular.
- (5) In accordance with Pallinghurst's accounting policies and IFRS, investments in subsidiaries are held at fair value such that the underlying operating results are not a consolidation but rather the revaluation of the investment is recognised in the income statement. As a pro forma income statement is prepared based on the transaction occurring on 1 January 2016 with the investment in subsidiary recognised at the Offer date fair value, there is no subsequent revaluation to present.

Pro forma balance sheet of the Enlarged Group

	Pallinghurst net assets at 31 December 2016	Adjustments			Enlarged Group pro forma net assets at 31 December 2016
	US\$'000 1	Increased interest in Gemfields following completion of Offer	Consideration	Transaction costs	US\$'000 5
		US\$'000 2	US\$'000 3	US\$'000 4	
ASSETS					
Non-current assets					
Investments in associates . . .	1,265				1,265
Investment portfolio					
Listed equity investments	164,615	(164,615)			—
Unlisted Equity investments . .	193,869	294,847			488,716
Total non-current assets . . .	359,749	130,232			489,981
Current assets					
Loans and receivables	4,948				4,948
Trade and other receivables . .	1,175				1,175
Other investments	12				12
Cash and cash equivalents . .	1,218			(5,340)	(4,122)
	7,353	—		(5,340)	2,013
Total assets	367,102	130,232	—	(5,340)	491,994
LIABILITIES					
Current liabilities					
Trade and other payables . . .	(207)				(207)
Borrowings	—				—
Total liabilities	(207)	—	—	—	(207)
Net assets	366,895	130,232	—	(5,340)	491,787
Share capital	8		3		11
Share premium	375,227		168,656	(2,670)	541,213
Retained losses	(8,340)	(38,427)		(2,670)	(49,437)
Total equity	366,895	(34,730)	168,659	(5,340)	491,787
Number of shares in issue . . .	760,452,631		634,058,042		1,394,510,673
Net asset value per share (cents)	0.48				0.35
Net tangible asset value per share (cents)	0.48				0.35

Notes:

- (1) The balance sheet of the Group as at 31 December 2016 has been extracted without adjustment from the published audited financial statements of Pallinghurst for the year ended 31 December 2016 which are available at www.pallinghurst.com.
- (2) Pallinghurst is considered an "Investment Entity" under IFRS and consequently recognises its investments at fair value whether they are a subsidiary, joint arrangement or associate. This adjustment represents the de-recognition of Pallinghurst's existing 47.09% interest in the total issued share capital of Gemfields currently recognised within "Listed equity investments" at a fair value of \$164.6 million at 31 December 2016 and then recognising Pallinghurst's 100% investment in Gemfields following completion of the Offer within "Unlisted equity investments" at a fair value of \$294.8 million at the transaction date, in accordance with IFRS10 'Consolidated Financial Statements'. The "Listed equity investment" fair value has been agreed to Note 6 within the published financial statements of Pallinghurst for the year-ended 31 December 2016 available at www.pallinghurst.com. The new "Unlisted equity investment" fair value at 18 May 2017 has been calculated by using the imputed per share value of the Offer of \$0.499/share multiplied by Gemfields' total share capital of 590,876,476, which is the maximum potential number of shares that Pallinghurst expects to own in Gemfields following completion of the Offer. The amount of \$38.4 million recognised in reserves represents the effective fair value loss in the period from 1 January 2017 to 17 May 2017 on Pallinghurst's original 47.09% interest in Gemfields.
- (3) This adjustment represents the transaction price paid by Pallinghurst to acquire the additional shares in Gemfields. This has been funded by the issuance of 634,058,042 Pallinghurst shares at a current share price of ZAR3.45 (US\$0.26) and a value of \$168.7 million.

- (4) This represents the once-off transaction costs to complete the Offer which are split \$2.7 million within equity as these are the costs directly attributable to the issue of new shares and \$2.7 million recognised within the income statement.
- (5) This represents the pro forma balance sheet of the Enlarged Group as if the transaction had completed on 31 December 2016.
- (6) There are no other subsequent events that require adjustments to the pro forma financial information.

If Pallinghurst ceased being an “Investment Entity” then rather than account for its interest in Gemfields at fair value, it would instead consolidate the income statement and balance sheet of Gemfields on a line by line basis with any intercompany transactions between Pallinghurst and Gemfields being eliminated. The accounting for Pallinghurst’s investments in Jupiter and Sedibelo would likely be unaffected.

Annexure F

Independent Reporting Accountant's Assurance Report On The Pro Forma Financial Effects

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE PRO FORMA FINANCIAL EFFECTS

The Directors
Pallinghurst Resources Limited
11 New Street
St. Peter Port
Guernsey GY1 2PF
Channel Islands

Dear Sirs/Mesdames

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of pro forma financial information of Pallinghurst Resources Limited by the directors. The pro forma financial information, as set out in 14 and Annexure E of the Circular, to be dated on or about 2 June 2017 consists of the pro forma balance sheet and pro forma income statement and related notes. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The pro forma financial information has been compiled by the directors to illustrate the impact of the corporate action or event described in paragraph 6 of the circular, on the company's financial performance for the year then ended, as if the corporate action had taken place at 1 January 2016, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 31 December 2016, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the company's financial position has been extracted by the directors from the company's audited financial statements for the year-ended 31 December 2016.

Directors' responsibility for the pro forma financial information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 14 and Annexure E of the circular.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to

Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

As the purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 14 and Annexure E of the circular.

Deloitte LLP

Registered Auditor

Per: Christopher Thomas
Partner

30 May 2017

2 New Street Square
London EC4A 3BZ
United Kingdom

A full list of partners is available on request.

Annexure G

Pallinghurst Material Contracts Disclosure

1. Investment Management Agreement

Pursuant to the Investment Management Agreement dated 5 September 2007 between the Company and the Investment Manager, the Investment Manager has been appointed to provide the Company with investment advisory and management services in relation to Investments falling within the investment scope.

The Investment Manager is entitled to the IMB for the investment advisory and management services it provides to the Company, which is currently US\$1.4 million per quarter, which amount fluctuates in line with acquisitions, disposals and changes in valuations.

The Investment Manager shall not be under any liability as a consequence of any action performed by the Investment Manager acting in good faith in accordance with the terms of the Investment Management Agreement or any specific written request of the Company. The Investment Manager shall not be liable to the Company for any decline in the value of the Investments or any part thereof to the extent that such decline results from the Investment Manager's implementation of any express direction of the Board or from any Investment recommendation made by the Investment Manager acting in good faith unless such recommendation was as a result of Cause.

The Investment Management Agreement contains certain Key Executives and Senior Key Executive provisions to ensure that the Investment Manager retains its key executives with the necessary expertise and experience in order to provide the investment advisory and management services to the Company in accordance with the scope and terms of the Investment Management Agreement.

In summary, the Key Executives and Senior Key Executive provisions state that the Investment Management Agreement will be immediately suspended for a period of up to 12 months upon the occurrence of a Key Man Event (the "**Suspension Period**"), during which Suspension Period no acquisition or disposal of Investments may occur but that all other obligations of the Company will continue to be met by the Company (including the payment of the Annual Investment Manager's Benefit and the completion of contracts entered into by or on behalf of the Company before entering into such Suspension Period).

Upon the occurrence of a Key Man Event, the Investment Manager will have until the end of the Suspension Period to appoint a replacement Key Man. If the Board approves of and recommends a replacement Key Man appointment, as soon as practicable thereafter, the Board will propose and seek the Shareholders' approval in general meeting by ordinary resolution of such replacement Key Man. Once the replacement Key Man has been approved by the Shareholders, the Suspension Period will immediately terminate. Should the requisite ordinary resolution not be passed by the Shareholders or any such subsequent ordinary resolution proposed by the Board during the Suspension Period for the replacement of such Key Man, as the case may be, the investment period shall immediately terminate.

The Investment Management Agreement contains the following indemnity provisions:

- Subject to (g) below, the Company shall indemnify each of the Indemnified Persons against any liabilities, claims, costs or expenses (including reasonable legal fees) suffered or incurred or threatened by reason of such Indemnified Person's activities under the relevant agreements, if applicable, concluded between such Indemnified Persons and the Company provided however that such person shall not be so indemnified with respect to any matter resulting from its Cause.
- Without prejudice to the generality of the foregoing, and subject to the terms of the Investment Agreement, the Company agrees to pay all reasonable costs and expenses incurred by any Indemnified Person in defending, resisting or investigating any threatened or pending action, claim or proceeding in respect of which the Indemnified Person claims to be entitled to be indemnified in advance of the final determination of such action, claim or proceeding upon receipt of a legally binding undertaking by or on behalf of such Indemnified Person to repay such amount if it shall subsequently be determined by a court of competent jurisdiction that such Indemnified Person is not entitled to be so indemnified or receive a contribution in accordance herewith.
- The indemnity provisions shall continue in effect notwithstanding that the Indemnified Person shall have ceased to carry out its respective activities under the relevant agreement, if applicable, but

only as regards the services provided in the period prior to and including such cessation (but not thereafter).

- The Company's obligations under this indemnity shall:
 - (i) where the matter requiring the indemnity arises from an Investment in an Investment Vehicle with one or more selected Strategic Equity Partners be several and in proportion to the Investment Amount paid in relation to the Investment Vehicle;
 - (ii) where the matter requiring the indemnity arises from a specific Investment, be several in proportion to its respective Investment Amount in that Investment; and
 - (iii) and, in either case, shall be limited to the higher of the applicable Investment Amount(s) and any amounts Realised in relation thereto, either in respect of the arrangements contemplated in the Investment Vehicle agreement or the specific Investment, as the case may be.

In addition the Investment Management Agreement may be terminated:

- automatically on the date of winding-up of the Company;
- by the Company, at any time from its commencement, by the Shareholders in extraordinary general meeting by special resolution if such termination is as a result of the Investment Manager's Cause. No further IMB or Performance Incentive shall be payable on or after the date of such termination. The termination of the Investment Management Agreement shall not take effect until the Shareholders have by special resolution approved the appointment of a replacement investment manager; and
- by Shareholders, at any time from its commencement, in general meeting by ordinary resolution, if such termination is as a result of:
 - Mr B Gilbertson failing to devote substantially all of his professional time to the business and affairs of the Program; and/or
 - Mr B Gilbertson ceasing to be an executive of the Investment Manager or its Associates.

In the event that the Investment Management Agreement is terminated:

- pursuant to the first or third bullets above, the Investment Manager shall be entitled to receive 100% of any Performance Incentive in respect of those Investments which had been made at the time of the termination of the Investment Management Agreement; and
- pursuant to the second bullet above, the Investment Manager shall not be entitled to receive any Performance Incentive, whether earned at the time of the termination of the Investment Management Agreement or otherwise.

2. Administration Agreement

Pursuant to the Administration Agreement dated 23 June 2014 between the Administrator and the Company, the Administrator has been appointed by the Company to carry out the day-to-day administration, secretarial and registrar functions of the Company. The Administrator is also responsible for performing certain duties in relation to the issue, transfer and redemption of Shares and their settlement.

Under the Administration Agreement, the Company has agreed to pay or procure to be paid to the Administrator, for its services as administrator and company secretary, a minimum fee of US\$155,000 per annum payable within 20 business days of the end of each quarter to which the fee applies, until the redemption date or earlier termination of the Administration Agreement. The minimum fee payable is subject to an annual review. There is no prescribed maximum amount payable to the Administrator. Occasionally, non-Material overruns of the minimum fee may occur.

In the absence of bad faith, recklessness, negligence, wilful default or fraud on the part of the Administrator, or breach by the Administrator of the terms of the Administration Agreement or any provision of Applicable Law or The Authorised Closed-ended Investment Scheme Rules 2008 the Administrator shall not be liable for any loss or damage suffered by the Company, any Investor or the Investment Manager arising out of or in connection with any act or omission on the part of the Administrator in the performance of its obligations under the Administration Agreement.

The Administration Agreement contains an indemnity by the Company in favour of the Administrator and any director, employee or partner of the Administrator against any liabilities, claims, costs or expenses (including reasonable legal fees) suffered or incurred or threatened by reason of such indemnified person's activity in the proper performance of the Administrator's obligations under the Administration Agreement, provided this indemnity shall not apply to any claim arising out of or in connection with bad faith, recklessness, negligence, wilful default, fraud or breach on the part of an indemnified person. Without prejudice to the generality of the foregoing, and subject to the terms of the Administration Agreement, the Company agrees to pay all reasonable costs and expenses incurred by any indemnified person in defending, resisting or investigating any threatened or pending action, claim or proceeding in respect of which the indemnified person claims to be entitled to be indemnified in advance of the final determination of such action, claim or proceeding upon receipt of a legally binding undertaking by or on behalf of such indemnified person to the Company to repay such amount if it shall subsequently be determined by a court of competent jurisdiction that such indemnified person is not entitled to be so indemnified or receive a contribution in accordance herewith. Any indemnified person shall first seek recovery under any other indemnity or any insurance policies by which such indemnified person is indemnified or covered, as the case may be.

The Administrator shall not be responsible for any loss or damage to the Company or for any failure to fulfil its duties where such loss, damage or failure is caused by or directly or indirectly due to war, damage, enemy action, the act of any government or other competent authority, riot, civil commotion, rebellion, storm, tempest, accident, fire, strike, lock-out or any other similar cause beyond the control of the Administrator.

Either the Administrator, the Investment Manager or the Company shall be entitled to terminate the appointment of the Administrator by giving not less than 3 months' notice in writing to the other party provided that such appointment may be terminated forthwith by either the Company or the Administrator giving notice in writing to the other if the other:

- commits any material breach of any of its obligations under the Administration Agreement and, if such breach is capable of remedy, fails to make good such breach within 30 days of receipt of notice served by the non-defaulting party requiring it to do so; or
- goes into liquidation or has an order made or a resolution passed to put such party into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation under terms previously approved in writing by the other party or a voluntary liquidation of the Company following the substantial Realisation of its portfolio), or such party is unable to pay its debts or has been declared "en désastre" or if a receiver has been appointed of any of its assets.

The appointment of the Administrator shall terminate automatically upon:

- the voluntary winding-up of the Company; or
- the Administrator ceases to be licensed by the GFSC, or its successor body, to carry out its services.

REVISED LISTING PARTICULARS

The “Corporate Information and Advisors” section on the inside front cover of the Circular, and the “Definitions and Interpretations” section commencing on page 9 of the Circular apply, mutatis mutandis, to these Revised Listing Particulars. Each reference to “the Circular” in these Revised Listing Particulars shall be a reference to the Circular.

The information required for the Revised Listing Particulars of the Enlarged Group is included in the Circular. Due to the nature of the Offer, information and disclosures included in the Circular relating to Gemfields and its business have been derived solely from publicly available sources. Although Pallinghurst is not aware of anything that would indicate that statements relating to Gemfields contained in these Revised Listing Particulars are inaccurate or incomplete, Pallinghurst is not in a position to verify information concerning Gemfields.

Pallinghurst and its directors and officers are not, to the best of their knowledge and belief, aware of any errors in such information. Accordingly, Pallinghurst and its directors and officers disclaim all liability for information concerning Gemfields included in these Revised Listing Particulars. Pallinghurst and its directors do, however, take responsibility for the accurate extraction of the publicly available information on Gemfields and its inclusion in this Circular.

These Revised Listing Particulars do not constitute an invitation to the public to subscribe for shares, but are issued in compliance with the Listings Requirements for the purpose of providing information to Pallinghurst Shareholders in relation to the Company after the implementation of the Offer.

These Revised Listing Particulars have been prepared on the assumption that the Resolutions proposed in the notice of General Meeting forming part of the Circular, will be passed at the General Meeting of Pallinghurst Shareholders to be held at The Old Government House, St Ann’s Place, St Peter Port, Guernsey, GY1 2NU at 11 a.m. (BST) (12 p.m. (SAST)) on Monday, 26 June 2017 and that the Offer will be implemented.

As at the Last Practicable Date:

- the authorised ordinary share capital of Pallinghurst is unlimited, and 760,452,631 Ordinary Shares and 2 Management Shares were in issue;
- the share premium account relating to the
 - Ordinary Shares had a total value of \$375,227,000;
 - Management Shares had a total value of \$2; and
- no Ordinary Shares or Management Shares were held as treasury shares.

After the Offer is implemented:

- the authorised share capital of Pallinghurst is unlimited, and up to 1,394,510,673 Ordinary Shares will be in issue assuming the acquisition of the total issued share capital of Gemfields of 549.8 million shares and a potential maximum of 41.1 million Gemfields Shares as a result of Gemfields option holders exercising their options;
- the share premium account relating to the Ordinary Shares will have a total value of US\$516,886,000;
- the New Pallinghurst Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares in issue; and
- no Ordinary Shares will be held as treasury shares.

The Directors, whose names appear in the “Corporate Information and Advisors” section of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts, the omission of which, would render any statement in these Revised Listing Particulars false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that the Revised Listing Particulars contain all information required by law and the Listings Requirements, save for that information which is contained in these Revised Listing Particulars relating to Gemfields and its business, which information has been derived solely from publicly available sources and therefore Pallinghurst is not in a position to verify such information.

All advisors whose name and/or reports are contained in these Revised Listing Particulars have consented in writing to act in the capacity stated and their names being included in these Revised Listing Particulars and, if applicable, to the inclusion of their respective reports in these Revised Listing Particulars in the form and context in which they appear and have not withdrawn their written consent prior to the publication hererof.

Date of Issue: 2 June 2017

These Revised Listings Particulars are only available in English. Copies of these Revised Listings Particulars may be obtained from the South African registered office of Pallinghurst, being Nexia SAB&T 119 Witch-Hazel Avenue Highveld Technopark Centurion 0046 South Africa during normal working hours from the date of issue of these Revised Listing Particulars up to and including Monday, 26 June 2017.

These Revised Listings Particulars should be read in conjunction with the Circular of which these Revised Listings Particulars form part.

REVISED LISTING PARTICULARS

1. INTRODUCTION

- 1.1. Subject to paragraph 1 of the Circular, the General Meeting will be held at The Old Government House, St Ann's Place, St Peter Port, Guernsey, GY1 2NU on Monday, 26 June 2017 at 11a.m. (BST) (12p.m. (SAST)) to consider and, if deemed fit, approve the Resolutions. The notice convening the General Meeting is attached to and forms part of this Circular.
- 1.2. These Revised Listing Particulars have been prepared on the assumption that the Proposed Extension has been approved and the Offer will be implemented, and are intended to provide the Pallinghurst Shareholders with information in relation to Pallinghurst after the implementation of the Offer and the Pallinghurst Share Plan.

2. PURPOSE OF THE REVISED LISTING PARTICULARS

The information pertaining to the purpose of the Circular wherein the particulars of the Circular are contained is detailed in paragraph 2 of the Circular.

3. NATURE OF THE BUSINESS OF PALLINGHURST AND GEMFIELDS

Details on Pallinghurst and Gemfields and the nature of each of these businesses is contained in paragraphs 8 and 9, respectively of the Circular. Furthermore, other than as disclosed in its audited annual financial statements, there is no other government protection and/or investment encouragement law affecting Pallinghurst.

4. PROPERTY ACQUIRED OR TO BE ACQUIRED

There have been no other Material acquisitions of property within the last three years prior to the Last Practicable Date or proposed acquisition by Pallinghurst or any of its major subsidiaries, or any subsidiary where the acquisition or proposed acquisition is Material to Pallinghurst.

Details of the property acquired by Gemfields is disclosed at note 25 on page 121 of the Gemfields AFS.

5. DISPOSAL OF PROPERTY

There has been no Material property disposed of during the past three years prior to the Last Practicable Date, or to be Disposed of, by Pallinghurst, its major subsidiaries or any subsidiary where such Disposal is Material to Pallinghurst.

Details of the property disposed of by Gemfields is disclosed at note 25 on page 121 of the Gemfields AFS.

6. THE GROUP STRUCTURE

An overview of Pallinghurst's structure existing structure is set out in Annexure A to the Circular.

An overview of Gemfields' structure is set out in paragraph 9.2 of the Circular.

Furthermore, Gemfields shall become a subsidiary of Pallinghurst after implementation of the Offer.

7. PROSPECTS

The Director's opinion on the prospects of the Enlarged Group is set out in paragraph 6.3 of the Circular.

8. SHARE CAPITAL OF PALLINGHURST

The share capital of Pallinghurst before and after the Offer is set out in paragraph 15 of the Circular.

9. SHARES

- 9.1. Pallinghurst has, and will continue to have after the implementation of the Offer, an unlimited authorised share capital.

- 9.2. There have been no consolidations or subdivisions of the securities of Pallinghurst since the date of its incorporation.
- 9.3. There are no founders or deferred shares of Pallinghurst.
- 9.4. None of the Shares will be held in treasury on the Last Practicable Date.
- 9.5. There are no preference shares in the share capital of Pallinghurst.
- 9.6. The terms of the Ordinary Shares and the Management Shares are set out in Appendix 1 to these Revised Listing Particulars.
- 9.7. A special resolution of the holders of the relevant class of Shares will be required to vary any rights attaching to those Shares.
- 9.8. There are no preferential conversion and/or exchange rights of any securities and variation rights.
- 9.9. The New Pallinghurst Ordinary Shares and the Ordinary Shares are all of the same class and shall rank *pari passu* in every respect including their ranking for dividends.
- 9.10. Pursuant to the implementation of the Offer, the Management Shares will remain in issue.
- 9.11. There have been no issues or offers of securities of Pallinghurst and/or its major subsidiaries and by any subsidiary where such issues or offers were Material to Pallinghurst in the preceding three years.

10. LISTINGS ON OTHER STOCK EXCHANGES

Pallinghurst has a secondary listing on the BSX.

11. OPTIONS OR PREFERENTIAL RIGHTS

As at the Last Practicable Date, no option or preferential right of any kind was or is proposed to be given to any person to subscribe for any Ordinary Share other than the options proposed to be granted to Executive Directors, Senior Executives and Qualifying Employees in terms of the Pallinghurst Share Plan as set out in more detail in paragraph 12 of the Circular.

12. SHARE PRICE HISTORY OF ORDINARY SHARES

The share price history of Ordinary Shares traded on the JSE as at the Last Practicable Date are summarised in Appendix 2 to these Revised Listing Particulars.

13. BORROWINGS

13.1. Borrowing powers

- 13.1.1. Extracts from Pallinghurst's Articles in relation to the borrowing powers of Pallinghurst, exercisable by the Directors, are set out in Appendix 1 to these Revised Listing Particulars. The Board may exercise all ability to mortgage or encumber its investments and/or assets or any part thereof and issue debentures or debenture stock (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of Pallinghurst or any third party.
- 13.1.2. In relation to Pallinghurst, the borrowing powers may be varied by an amendment to Pallinghurst's Articles. In respect of Pallinghurst's subsidiaries, details of the manner in which borrowing powers may be varied is set out in Appendix 1 to these Revised Listing Particulars.
- 13.1.3. The borrowing powers of Pallinghurst have not been exceeded during the three years before the date of issue of these Revised Listing Particulars.
- 13.1.4. There are no exchange control restrictions on the borrowing powers of Pallinghurst or any of its subsidiaries.

13.2. Debentures

Pallinghurst has not issued any debentures or debenture stock as at the Last Practicable Date.

13.3. Material loans

There are no Material loans made to Pallinghurst and/or any of its subsidiaries, as at the Last Practicable Date.

13.4. Material commitments, lease payments and contingent liabilities

Pallinghurst has no Material commitments, lease payments and contingent liabilities as at the Last Practicable Date.

Details of the capital commitments of Gemfields are disclosed at note 24 on page 120 of the Gemfields AFS. The details provided are not sufficient to enable Pallinghurst to make a determination of whether they constitute Material capital commitments.

Details of the leased properties of Gemfields are disclosed at note 25 on page 121 of the Gemfields AFS.

Details of the contingent liabilities of Gemfields are not publicly available.

13.5. Loan capital

Pallinghurst has no outstanding loan capital as at the Last Practicable Date.

14. LOANS RECEIVABLE

14.1. Material loans receivable

There are no Material loans made by Pallinghurst or by any of its subsidiaries as at the Last Practicable Date.

Based on the Gemfields AFS and Gemfields Interim Report, there are no Material loans made by Gemfields or by any of its subsidiaries as at 31 December 2016.

14.2. Loans made to Directors

No loans have been made or security furnished by Pallinghurst or by any of its subsidiaries to or for the benefit of any Director or manager or any associate of any Director or manager of Pallinghurst as at the Last Practicable Date.

Based on the Gemfields AFS and Gemfields Interim Report, no loans have been made or security furnished by Gemfields or by any of its subsidiaries to or for the benefit of any Director or manager or any associate of any Director or manager of Gemfields as at 31 December 2016.

14.3. Inter-company financial and other transactions

14.3.1. Other than as disclosed in Pallinghurst's most recent audited financial statements for the year ended 31 December 2016, there are no Material inter-company financial and other transactions in respect of the Group as at the Last Practicable Date.

14.3.2. There are no Material loans made by Gemfields as at the Last Practicable Date.

15. CONTROLLING SHAREHOLDERS

As at the Last Practicable Date, no Pallinghurst Shareholder (other than the Directors whose details are outlined in the Circular and the major shareholders detailed in paragraph 19 of the Circular holds a controlling interest in the issued share capital of Pallinghurst and no other person will hold a controlling interest in the issued ordinary share capital of Pallinghurst as a result of the Offer.

16. MAJOR SHAREHOLDERS

Details of the major Pallinghurst Shareholders before and after the Offer are set out in paragraph 19 of the Circular.

17. DIRECTORS

17.1. Details and experience

- 17.1.1. The full details of the Directors whose names appear on page 6 of the Circular and the names and details of the directors of major subsidiaries whose names appear in the Circular are set out in Appendix 4 to these Revised Listing Particulars.
- 17.1.2. As at the Last Practicable Date, none of the Non-Executive Directors have any service contracts or letters of employment with the Group.
- 17.1.3. As at the Last Practicable Date, Brian Gilbertson, Arne H Frandsen and Andrew Willis have entered into the Services Agreement (as more fully described in Annexure B of the Circular).
- 17.1.4. Details of the Gemfields' directors details and experience are set out on page 62 of the Gemfields AFS.

17.2. Directors' declarations

In terms of Schedule 13 of the Listings Requirements, all of the Directors have completed a directors' declaration upon their appointment and nothing, in relation to the provisions therein, has changed since their appointment. The directors' declarations are set out in Appendix 4 to these Revised Listing Particulars.

17.3. Opinions and recommendations

The full details of the Directors opinions and recommendations are set out in paragraph 17 of the Circular to which these Revised Listing Particulars form part.

18. QUALIFICATION, APPOINTMENT AND REMUNERATION OF DIRECTORS

18.1. Extracts from articles

A summary of the relevant provisions of Pallinghurst's Articles is set out in Appendix 1 to these Revised Listing Particulars concerning:

- the election and appointment of Directors;
- the vacancies and rotation of Directors;
- the executive and non-executive Directors; and
- the remuneration of Directors.

18.2. Directors' remuneration, benefits and share options

Details of Directors' remuneration, benefits and share options are set out in Appendix 6 to these Revised Listing Particulars.

Details of the Gemfields' directors remuneration, benefits and share options are set out on page 76 of the Gemfields AFS.

18.3. Fees payable in lieu of directors' fees

Save for as set out in Appendix 6 to these Revised Listing Particulars, no fees are paid or accrued as payable to a third party in lieu of directors' fees.

18.4. Variation in remuneration

There will be a variation in the remuneration of the Directors as set out in Appendix 6 to these Revised Listing Particulars, as a result of the Offer.

18.5. Third party management under contract or arrangement

- 18.5.1. To achieve the investment objectives, the Company appointed the Investment Manager. The Investment Manager is a specialist natural resources entity that seeks to develop strategic partnerships for the Company with companies and/or other entities in order to

create and unlock value for shareholders. Each of Mr Gilbertson, Mr Frandsen and Mr Willis are partners of the Investment Manager and provide their services to the Company pursuant to the Investment Management Agreement. Pursuant to the implementation of the Proposed Extension the Investment Management Agreement will be terminated.

18.5.2. Other than as set out in paragraph 18.5.1, no part of Pallinghurst's business is managed by a third party under a contract or arrangement.

18.6. Directors' interests in promotion and property of Pallinghurst

18.6.1. None of the Directors had any Material beneficial interest, direct or indirect, in the promotion of Pallinghurst and in any property acquired or proposed to be acquired out of the proceeds in relation to the Offer or during the three years preceding the Last Practicable Date and, none of the Directors had any Material beneficial interest, where such interest consists of being a member in a partnership, company, syndicate or other association of person.

18.6.2. No payments were made to, or have been agreed to be paid to, any Director or any company in which he is beneficially interested, directly or indirectly, or of which he is a director (the "associate company") or to any partnership, syndicate or other association of which he is member (the "associate entity") either to induce him to become, or to qualify him as a Director or otherwise for the services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of Pallinghurst.

18.7. Directors' interests in Gemfields Shares

Save as set out below, none of the Directors hold any Shares in Gemfields.

Name	As at the Last Practicable Date	
	No. of Ordinary Shares	As a percentage of total issued Ordinary Shares
Dr Christo Wiese	2,494,583	0.45%
Andrew Willis ⁽¹⁾	18,000	0.00%
Executive Directors direct and indirect interests ⁽²⁾	7,965,889	1.45%

Notes:

- (1) Andrew Willis' interest in Gemfields is held through a contract for difference and not directly in Gemfields Shares.
- (2) As at the date of this document, Brian Gilbertson, Arne H. Frandsen and Andrew Willis each hold interests in equal proportions in Pallinghurst (Cayman) Founder L.P which in turn holds 5,391,081 Gemfields Shares. Brian Gilbertson holds an interest in Autumn Holdings Asset Inc (a family trust held 50% by Brian Gilbertson and 50% by other immediate members of his family) which in turn holds 988,079 Gemfields Shares and he also holds a 25% interest in Pallinghurst Resources Management L.P, which in turn holds 1,586,729 Gemfields Shares.

Furthermore, the interests in shares in Gemfields held by the directors of Gemfields as at the Last Practicable Date are set below.

Name	No. of Shares in Gemfields	As a percentage of total Gemfields Share in issue
Graham Mascal	150,000	0.028%
Ian Harebottle	200,000	0.037%
Sean Gilbertson ⁽¹⁾	300,000	0.056%
Finn Behnken	75,000	0.014%

- (1) Sean Gilbertson has an interest in Autumn Holdings Asset Inc. which holds 0.18% of the total issued share capital of Gemfields, and holds interests in Pallinghurst (Cayman) Founder L.P. which in turn holds 5,391,081 Gemfields Shares via Fabergé Conduit Limited.

18.8. Directors' interests in the Offer

Details of the Directors' interests before and after the Offer are set out in paragraph 20.2 of the Circular and paragraph 1.1 of Appendix 6 to these Revised Listing Particulars.

19. INTERESTS OF THE FINANCIAL ADVISOR

The Financial Advisor to the Offer holds no interest, whether directly or indirectly, in Pallinghurst as at the Last Practicable Date.

20. PROMOTERS

- 20.1. Pallinghurst has not paid or accrued as payable any amounts to a promoter or to any syndicate, partnership or other association of which any advisor or promoter was a member, during the three years preceding the Last Practicable Date.
- 20.2. No promoter had any interest, direct or indirect, in the promotion of Pallinghurst or in any property acquired or proposed to be acquired out of the proceeds of the Offer or during the three years preceding the Last Practicable Date and no promoter has any such interest currently.

21. COMMISSIONS

No amount has been paid, or has been accrued as payable, within the three years prior to the Last Practicable Date, as commission to any person, including commission paid or payable to any sub-underwriter that is the holding company or a promoter or director or officer of Pallinghurst, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any Securities of Pallinghurst.

22. EXPENSES

As at the Last Practicable Date, details of the estimated expenses (excluding VAT) of the Offer and other transactions contemplated in this Circular, which will be settled out of cash, are set out in paragraph 22 of the Circular.

23. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear in the "Corporate Information and Advisors" section of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts, the omission of which, would render any statement in these Revised Listing Particulars false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that the Revised Listing Particulars contains all information required by law and the Listings Requirements.

24. MATERIAL CHANGES

- 24.1. There have been no Material changes in the business of Pallinghurst during the last five years preceding the Last Practicable Date.
- 24.2. Save as contemplated by the Offer, there have been no Material changes in the financial or trading position of Pallinghurst or any of its subsidiaries, that have occurred since the end of the last financial period for which audited annual financial statements have been published.
- 24.3. Gemfields has not publicly disclosed any Material changes in its financial or trading position since 31 December 2016, being the date to which the latest Gemfields Interim Report of the Gemfields Group was published.

25. PRINCIPAL IMMOVABLE PROPERTY OWNED OR LEASED

There are no principal immovable properties owned or leased by Pallinghurst as at the Last Practicable Date.

Details of the leased properties of Gemfields are disclosed at note 25 on page 121 of the Gemfields AFS.

Details of the property, plant and equipment owned by Gemfields are disclosed at note 10 on page 107 of the Gemfields AFS. The Gemfields AFS does not provide a breakdown of the properties owned by Gemfields and, accordingly, Pallinghurst is unable to make a determination of whether these properties constitute principal immovable properties.

26. MATERIAL ACQUISITIONS AND/OR DISPOSALS

26.1. Material acquisitions

- 26.1.1. Save for the acquisition contemplated by the Offer, no Material immovable properties, fixed assets, Securities and/or business undertakings have been acquired by Pallinghurst or its subsidiaries in the three years preceding the Last Practicable Date.
- 26.1.2. Furthermore, as at the Last Practicable Date, Pallinghurst and its subsidiaries do not have any option to acquire any Material immovable properties, fixed assets, Securities and/or business undertakings.
- 26.1.3. There have been no Material acquisitions made by Gemfields in the three years preceding the Last Practicable Date.

26.2. Material disposals

- 26.2.1. No Material immovable properties, fixed assets, Securities and/or business undertakings have been disposed of in the three years prior to the Last Practicable Date or during the six months after the Last Practicable Date by Pallinghurst.

27. HISTORY OF CHANGE

There has been no change in the controlling shareholders and trading objects of Pallinghurst in the last five years preceding the Last Practicable Date.

28. PROSPECTS

An overview of the prospects of Pallinghurst and the Enlarged Group is set out in paragraph 6.3 of the Circular.

29. LITIGATION STATEMENT

There are no legal or arbitration proceedings, pending or threatened, of which Pallinghurst is aware, that may have or have had, in the 12 month period prior to the Last Practicable Date, a Material effect on the financial position of Pallinghurst.

There are no legal or arbitration proceedings, pending or threatened, disclosed in the Gemfields AFS or Gemfields Interim Report. In addition, Pallinghurst is not aware, based on publicly available information, of any legal or arbitration proceedings, pending or threatened which may result in a Material effect on the financial position of the Gemfields Group.

30. FINANCIAL INFORMATION

Pallinghurst's audited annual financial statements for the financial years ended 31 December 2016, 31 December 2015 and 31 December 2014 are available on Pallinghurst's website hosted at (www.pallinghurst.com). Furthermore, the pro forma financial effects of the Offer are detailed in Annexure D of the Circular to which these Revised Listings Particulars form part of.

31. WORKING CAPITAL STATEMENT

The working capital statement required from the Directors in terms of the Listings Requirements is contained in paragraph 16 of the Circular.

32. MATERIAL CONTRACTS OF PALLINGHURST

Details of Material contracts of Pallinghurst are provided in paragraph 27 of the Circular. Furthermore, there are no royalties payable or items of a similar nature in respect of Pallinghurst and any of its major subsidiaries.

Gemfields has not disclosed details of its material contracts in the Gemfields AFS or the Gemfields Interim Report and this information is not publicly available.

33. CORPORATE GOVERNANCE

An assessment of Pallinghurst's application of the corporate governance principles enclosed in the King III report is detailed in Appendix 7 of these Revised Listing Particulars.

34. EXPERTS' CONSENTS

The consents of the various experts to the Offer have been provided as set out in paragraph 29 of the Circular.

35. DOCUMENTS AVAILABLE FOR INSPECTION

Details of the documents available for inspection are provided in paragraph 32 of the Circular.

36. DOCUMENTS INCORPORATED BY REFERENCE

Details of the documents incorporated by reference are set out in paragraph 33 of the Circular.

Signed at Geneva by Arne H. Frandsen in his capacity as Chief Executive Officer on behalf of all the directors of Pallinghurst, duly authorised in terms of powers of attorney signed by each of Pallinghurst's Directors:

Arne H. Frandsen
Duly Authorised
2 June 2017

Appendix 1

EXTRACT FROM PALLINGHURST'S ARTICLES

3. Terms of the Shares

- 3.1.** Save as specifically provided in the Articles, the Ordinary Shares and the Management Shares shall rank *pari passu* in all respects.
- 3.2.** Pallinghurst is authorised to issue an unlimited number of shares.
- 3.3.** Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to any provisions in the Articles and the JSE Listing Requirements, any share (or option, warrant or other right in respect of a share) in Pallinghurst may be issued with such rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine.
- 3.4.** Notwithstanding any other provision in these Articles, the holders of Management Shares shall have the following rights:
- 3.4.1. Dividends: The holders of Management Shares shall have no rights to receive nor participate in any Distributions of Pallinghurst, subject to any rights as to capital contained in the Articles.
- 3.4.2. Winding up: Subject to the winding up provisions contained in the Articles, on a winding up and after payment of all the creditors of the Company, the payment to the extent reasonably capable, of the Net Asset Value per Share of the Ordinary Shares less any cost associated with the Liquidation, the nominal value of the Management Shares shall be paid to the holders of the Management Shares.
- 3.4.3. Voting: The holders of the Management Shares will have the right to receive notice of and attend and vote at any general meeting of the Company only if there are no Ordinary Shares in issue. When such rights exist, each holder of a Management Share who is present in person or by proxy (or being a corporation, by a duly authorised representative) at a general meeting will have 10,000 votes in respect of each Management Share held by them.
- 3.5.** The holders of Ordinary Shares shall have the following rights:
- 3.5.1. Dividends: The holders of Ordinary Shares are entitled to receive, and participate in, any Distributions and resolved to be distributed in respect of any Accounting Period or other income or right to participate therein.
- 3.5.2. Winding up: Subject to the winding up provisions contained in the Articles, on a winding up and after the payment of all creditors of the Company, the payment to the extent reasonably capable of the Net Asset Value per Share of the Ordinary Shares less any cost associated with the Liquidation and the nominal value of the Management Shares, the holders of Ordinary Shares shall be entitled to any surplus or to any shares associated with an Investment distributed *in specie*.
- 3.5.3. Voting: The holders of the Ordinary Shares will have the right to receive notice of and to attend and to vote at any general meeting of the Company. Each holder of an Ordinary Share who is present in person or by proxy (or being a corporation, by a duly authorised representative) at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by a duly authorised representative) will have one vote in respect of each Ordinary Share held by them.
- 3.6.** Pallinghurst may, subject to the JSE Listing Requirements, purchase any of its own shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.

4. Qualification and Remuneration of Directors

- 4.1.** A Director need not be an Investor of the Company. No shareholding qualification for Directors is needed.

- 4.2.** The non-executive Directors shall be entitled to receive by way of fees for their services such sum as the Directors shall determine, provided that the amount of such fees for non-executive Directors shall not exceed US\$100, 000 each per annum or such other amount as is approved by the Company in general meeting from time to time. The non-executive Directors shall also be entitled to be paid all reasonable out of pocket expenses properly incurred by them in attending general meetings, Directors or committee meetings or otherwise in connection with the performance of their duties.
- 4.3.** If any Director, having been requested by the Directors, shall render or perform services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as a disinterested quorum of Directors may determine, and such extra remuneration will be, in addition to any other remuneration which he may be entitled to receive.

5. Borrowing Powers of the Company

The Directors may exercise all the powers of the Company to mortgage or encumber its Investments and/or assets or any part thereof and to issue debentures or debenture stock (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the Company or any third party. The granting of special privileges to holders of debt instruments, such as attending and voting at general meetings and the appointment of directors is prohibited.

6. Retirement of Directors

- 6.1.** At the annual general meeting held in each year 1/3 (one-third) of the Directors, or if their number is not a multiple of 3 (three), then the number nearest to, but not less than 1/3 (one-third) shall retire from office, provided that in determining the number of Directors to retire no account shall be taken of any director who by reason of the provisions of Article 28.1 is not subject to retirement and provided that this Article shall not apply to Executive Directors. The Directors so to retire at each annual general meeting shall be firstly those retiring in terms of Article 20.2 and secondly those referred to in terms of Article 26.2 and lastly those who have been longest in office since their last election or appointment. As between Directors of equal seniority, the directors to retire shall, in the absence of agreement, be selected from among them by lot. Provided that notwithstanding anything herein contained, if, at the date of any annual general meeting any Director will have held office for a period of 3 (three) years since his last election or appointment he shall retire at such meeting, either as one of the Directors to retire in pursuance of the foregoing or additionally thereto. A retiring Director shall act as a director throughout the meeting at which he retires. The length of time a Director has been in office shall, save in respect of Directors appointed or elected in terms of the provisions of Articles 20.2 and 26.2 be computed from the date of his last election or appointment. Directors subject to retire by rotation may offer themselves up for re-election.
- 6.2.** The period of office for Executive Directors shall be subject to and determined by the terms of their employment.

Appendix 2

MARKET VALUE OF ORDINARY SHARES

Set out below is a table showing the aggregate volumes and values traded and the highest, lowest and closing prices traded in Ordinary Shares on the JSE for:

- each month over the 12 months prior to the date of issue of this Circular; and
- each day over the 30 days preceding the Last Practicable Date.

	High (Rand) ⁽¹⁾	Low (Rand) ⁽¹⁾	Closing Price (Rand)	Volume (shares) ('000)	Volume traded (Rand) ('000)
Monthly – 2016/2017					
May	3.94	3.05	3.35	24,513	74,612
June	3.60	2.90	3.25	3,614	12,179
July	3.30	2.91	3.08	2,797	8,829
August	3.71	3.08	3.70	8,379	27,668
September	4.30	3.65	3.90	5,084	18,372
October	4.01	3.50	3.80	4,794	18,248
November	4.50	3.70	4.40	8,899	33,730
December	4.70	4.00	4.70	2,342	9,601
January	5.00	4.00	4.10	1,427	6,648
February	4.72	4.03	4.50	5,385	23,947
March	4.72	4.20	4.25	7,595	33,410
April	4.50	3.65	3.85	6,778	28,128
May	4.00	3.35	3.45	11,076	39,516
Daily – 2017					
31 March	4.45	4.25	4.25	58	250
3 April	4.50	4.25	4.25	326	1,386
4 April	4.25	4.07	4.20	1,690	7,099
5 April	4.15	4.15	4.15	13	53
6 April	4.00	4.00	4.00	1,265	5,060
7 April	4.01	4.00	4.00	189	758
10 April	4.10	4.00	4.10	1,838	7,356
11 April	4.10	4.00	4.00	61	247
12 April	4.10	3.94	3.94	156	623
13 April	4.09	3.80	4.00	159	634
18 April	4.02	4.00	4.00	76	303
19 April	4.00	4.00	4.00	75	299
20 April	4.00	4.00	4.00	350	1,400
21 April	4.00	3.87	3.87	82	326
24 April	4.00	3.80	3.80	1,198	4,573
25 April	3.90	3.85	3.85	211	819
26 April	3.90	3.65	3.65	47	182
28 April	4.00	3.78	3.85	291	1,135
2 May	4.00	3.65	3.65	122	465
3 May	3.90	3.65	3.65	—	—
4 May	3.80	3.60	3.60	2,124	7,649
5 May	3.60	3.56	3.56	381	1,372
8 May	3.64	3.52	3.60	537	1,935
9 May	3.60	3.50	3.50	105	370
10 May	3.50	3.50	3.50	88	307
11 May	3.50	3.35	3.50	685	2,381
12 May	3.50	3.40	3.40	48	167
15 May	3.50	3.40	3.40	2,127	7,232
16 May	3.60	3.40	3.60	2,511	8,538
17 May	3.50	3.45	3.45	19	65

Source: Datastream

Note 1: Intraday

Appendix 3

MAJOR SHAREHOLDERS OF PALLINGHURST

Name	As at the Last Practicable Date		Immediately following completion of the Offer*	
	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue
Old Mutual Investment Group (South Africa) (Pty) Ltd	71,848,735	9.45	72,373,985	5.19%
Oasis Asset Management Ltd	68,470,365	9.00	79,947,518	5.73%
Solway Finance Limited	67,386,056	8.86	67,386,056	4.83%
Ophorst Van Marwijk Kooy Vermogensbeheer N.V.	49,188,193	6.47	57,203,899	4.10%
Oasis Crescent Capital (Pty) Ltd . . .	47,296,088	6.22	47,296,088	3.39%
Investec Asset Management	45,231,744	5.95	45,231,744	3.24%
Government Employees Pension Fund (GEPF)	32,734,325	4.30	32,734,325	2.35%
Investec Pallinghurst (Cayman) L.P. .	0	0.00	130,401,519	9.35%
NGPMR (Cayman) L.P.	0	0.00	138,469,734	9.93%

* The number of New Pallinghurst Ordinary Shares is based on the total issued share capital of Gemfields of 549.8 million shares and a potential maximum issue of 41.1 million Gemfields Shares as a result of Gemfields option holders exercising their options.

Appendix 4

THE DIRECTORS

1. DETAILS AND EXPERIENCE

1.1. Name and Position: Brian Gilbertson (Chairman)

Date of appointment: September 2007

Age: 72

Nationalities: British and South African

Qualifications: BSc (Maths & Physics), BSc (Hons) in Physics, MBL and PMD

Business address: 2nd Floor, 23–25 Le Pollet, St Peter Port, Guernsey, GY1 1WQ

Experience: Brian Gilbertson has extensive experience in the global natural resources industry. In his early career, he was managing director of Rustenburg Platinum Mines Limited, which gained recognition as the world's foremost producer of platinum in the 1980s. Later, as executive chairman of Gencor Limited, Mr Gilbertson led the restructuring of the South African mining industry into the post- Apartheid era, transforming Gencor Limited into a focused minerals and mining group. During this period he held ultimate responsibility for Impala Platinum Holdings and for Samancor Limited, the world's largest producer of manganese and chrome ore and alloys. Important initiatives included the Hillside and Mozal aluminium projects and the purchase of the international mining assets (Billiton plc) of the Royal Dutch Shell Group.

In 1997, Gencor Limited restructured its non-precious metals interests as Billiton plc and, with Mr Gilbertson as executive chairman, Billiton plc raised US\$1.5 billion in an Initial Public Offering on the LSE, taking the company into the FTSE100. In 2001, Billiton plc merged with BHP Limited to create what is widely regarded as the world's premier resources company, BHP Billiton plc.

In late 2003, Mr Gilbertson led the mining group Vedanta Resources plc to the first primary listing of an Indian company on the LSE in the second largest Initial Public Offering of the year. He was chairman of Vedanta Resources plc until July 2004. In 2004, he founded Incwala Resources (Pty) Limited, a pioneering Black Economic Empowerment company in South Africa, and was its first chairman until March 2006.

In 2004, Mr Gilbertson joined Sibirsko-Uralskaya Aluminum Company (SUAL), an aluminium producer in Russia and led the company into the US\$30 billion merger with RUSAL and the alumina assets of Glencore International A.G., creating the largest aluminium company in the world.

Mr Gilbertson established Pallinghurst Advisors LLP and the Investment Manager during 2006 and 2007 respectively, and is the chairman of and a partner in both entities. Mr Gilbertson is also the chairman of both Jupiter and Sedibelo and is a director of Tshipi Limited. Mr Gilbertson is a British and South African citizen.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Pallinghurst Advisors LLP	01/12/2005	ACTIVE
Pallinghurst (Cayman) General Partner LP (GP) Ltd	20/03/2006	ACTIVE
Pallinghurst Founder GP Ltd	20/03/2006	ACTIVE
Renova Feeder LP (GP) Ltd	20/03/2006	ACTIVE
Pallinghurst-Utima (Cayman) Ltd	01/09/2006	ACTIVE
Pallinghurst Resources Ltd	04/09/2007	ACTIVE
Pallinghurst Resources (Guernsey) GP Ltd	21/09/2007	ACTIVE
Sedibelo Platinum Mines Ltd (formerly Platmin Ltd)	19/12/2008	ACTIVE
Tshipi é Ntle Manganese Mining (Pty) Ltd	31/03/2009	ACTIVE
Pryors Properties LLP	03/04/2009	ACTIVE
Jupiter Mines Ltd	22/06/2010	ACTIVE
Pallinghurst GP Ltd	22/07/2013	ACTIVE
Fabergé Ltd	17/11/2009	RESIGNED
Richtrau No.123 (Pty) Ltd	30/09/2009	RESIGNED

Executive Directors

1.2. Name and Position: Arne H. Frandsen (Chief Executive)

Date of appointment: September 2007

Age: 49

Nationality: Danish

Business address: 2nd Floor, 23–25 Le Pollet, St Peter Port, Guernsey, GY1 1WQ

Qualifications: BA, LLB, Master in Law from University of Copenhagen, Postgraduate Research and Studies in Japan and South Africa

Experience: Mr Frandsen has over ten years of investment banking experience with Goldman Sachs and JPMorgan, providing strategic advice and structuring mergers and acquisitions as well as corporate finance transactions for clients in 30 different countries, raising in excess of US\$20 billion of capital.

From 2004, Mr Frandsen acted as client executive for JPMorgan in South Africa, followed by a year as chief executive officer of Incwala Resources (Pty) Limited, one of South Africa's leading Black Economic Empowerment mining companies.

Mr Frandsen joined Pallinghurst in 2006 and is a partner of the Investment Manager. In addition, Mr Frandsen is responsible for Pallinghurst's PGM interests and is executive deputy chairman of Sedibelo.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Pallinghurst (Cayman) Founder Limited	30/04/2007	ACTIVE
Pallinghurst GP Limited	30/04/2007	ACTIVE
Fabergé Conduit Ltd	01/09/2007	ACTIVE
Pallinghurst Resources Ltd	04/09/2007	ACTIVE
Pallinghurst Resources (Guernsey) GP Ltd	21/09/2007	ACTIVE
Pallinghurst Investor Consortium (Pty) Ltd	01/12/2007	ACTIVE
Bakgatla Pallinghurst JV (Pty) Ltd	01/12/2007	ACTIVE
Pallinghurst Kalahari Limited	05/12/2007	ACTIVE
Clidet No 832 (Pty) Ltd	01/05/2008	ACTIVE
Pallinghurst Ivy Lane Capital S.à r.l.	01/07/2008	ACTIVE
Pallinghurst Investor Consortium (Lux) S.à r.	01/12/2008	ACTIVE
Platmin South Africa (Pty) Ltd	01/03/2009	ACTIVE
Pallinghurst Advisors (Pty) Ltd	01/03/2009	ACTIVE
Richtrau No. 123 (Pty) Ltd	01/04/2009	ACTIVE
Newshelf 1101 (Pty) Ltd	30/11/2010	ACTIVE
Dutch Investments (lux) S.à r.l.	13/12/2010	ACTIVE
Pallinghurst Investor Consortium II (Lux) S.à r.l.	01/02/2011	ACTIVE
Platmin Resources S.à r.l.	01/09/2011	ACTIVE
Sedibelo Platinum Mines Limited	19/12/2008	ACTIVE
Orkid S.à r.l.	01/03/2012	ACTIVE
Itereleng Bakgatla Minerals Resources (Pty) Ltd	01/05/2012	ACTIVE
Hodos Holdings Limited	01/08/2012	ACTIVE
Fabergé Suisse SA	01/05/2013	ACTIVE
Osier Corporation Limited	01/03/2014	ACTIVE
Kelltechnology South Africa RF (Pty) Ltd	01/06/2014	ACTIVE
Kelltech Limited	01/08/2014	ACTIVE
C and L Mining (Pty) Ltd	01/12/2014	ACTIVE
Kellplant (Pty) Ltd	01/02/2016	ACTIVE
Fabergé S.à r.l.	21/05/2013	ACTIVE
Pallinghurst Consolidated (Cayman) Ltd	30/04/2007	ACTIVE
Fabergé Ltd	03/07/2007	RESIGNED
Genesis Founder Ltd	19/09/2012	RESIGNED

Moepe Group (Pty) Ltd	11/06/2008	RESIGNED
Moepe Platinum (Pty) Ltd	26/01/2009	RESIGNED
Moepe Uranium (Pty) Ltd	23/09/2008	RESIGNED
Pallinghurst Advisors LLP	06/04/2008	RESIGNED
Pallinghurst Genesis Resources Ltd	19/09/2012	RESIGNED
Rox Conduit Ltd	13/09/2007	RESIGNED
Rox Ltd	03/07/2007	RESIGNED

1.3. Name and Position: Andrew Willis (Finance Director)

Date of appointment: 25 November 2008

Age: 36

Nationalities: British and New Zealand

Business address: 2nd Floor, 23–25 Le Pollet, St Peter Port, Guernsey, GY1 1WQ

Qualifications: MBA (INSEAD), ACCA, ACIS, BA/BCom

Experience: Andrew Willis has over 15 years' experience in international finance, structuring and private equity. Mr Willis started his professional career as an accountant in New Zealand and after moving to Europe studied at INSEAD and was awarded an MBA. Before joining Pallinghurst Advisors LLP in 2006, he spent three years with pan-European private equity investment manager Candover Investments plc.

Mr Willis is a partner of the Investment Manager. Mr Willis is a British and New Zealand citizen and is a resident of Guernsey.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

Freedommakers Ltd	09/07/1999	ACTIVE
Pallinghurst Ivy Lane Capital S.à r.l.	16/07/2008	ACTIVE
Pallinghurst Resources Ltd	25/11/2008	ACTIVE
Pallinghurst Resources (Guernsey) GP Ltd	16/01/2009	ACTIVE
Dutch Investments (Lux) S.à r.l.	13/12/2010	ACTIVE
Pallinghurst Investor Consortium II (Lux) S.à r.l.	17/03/2011	ACTIVE
27 Belgrave Road Limited	23/06/2011	ACTIVE
Pallinghurst GP Limited	25/07/2013	ACTIVE
Pallinghurst (Cayman) Founder Ltd	16/09/2014	ACTIVE
Aquacorp Ltd	09/11/2000	RESIGNED
Andrew Willis Ltd	20/07/2001	RESIGNED
Fabergé Services Ltd	03/05/2007	RESIGNED
Pallinghurst Advisors LLP	06/04/2008	RESIGNED
Moepe Group (Pty) Ltd	23/09/2008	RESIGNED
Moepe Uranium (Pty) Ltd	23/09/2008	RESIGNED
Moepe Platinum (Pty) Ltd	25/01/2009	RESIGNED
IBMR (Pty) Ltd	31/05/2012	RESIGNED
Rox Conduit Ltd	18/09/2012	RESIGNED
Rox Ltd	18/09/2012	RESIGNED
Genesis Founder Ltd	19/09/2012	RESIGNED
Pallinghurst Genesis Resources Ltd	19/09/2012	RESIGNED
Fabergé Heritage Collection	01/05/2015	RESIGNED

Non-Executive Directors

1.4. Name and Position: Dr Christo Wiese (Non-Executive Director)

Date of appointment: 11 February 2013

Age: 74

Nationality: South African

Business address: PO Box 6100, Parow East 7501, Cape Town, Republic of South Africa

Qualifications: BA LLB D.Comm (h.c.) Univ of Stellenbosch, D.Tech: Marketing, Cape Peninsula University of Technology

Experience: Christo Wiese is chairperson of Pepkor Holdings (Pty) Limited and Shoprite Holdings Limited, respectively Africa's largest clothing and food retailers with a total portfolio of approximately 6,000 stores in 24 countries and employing more than 150,000 people.

Dr Wiese is a significant shareholder in a range of businesses throughout the world. Dr Wiese is the largest shareholder in Steinhoff International Holdings Limited (which recently acquired the Pepkor Group) and also holds large and controlling stakes in Brait SE (an investment holding company), Tradehold Ltd (UK based property Investment Company) and Invicta Holdings Ltd, all listed on the JSE.

Dr Wiese has served on the boards of many listed companies over the years and is a past director of the SA Reserve Bank and former chairman of the Industrial Development Corporation of SA Ltd.

During 2015, Dr Wiese was awarded lifetime achievement honours at the Sunday Times Top 100 Companies awards and the All Africa Business Leaders Awards as well as being inducted into the World Retail Hall of Fame.

Dr Wiese owns Lourensford Wine Estate, a producer of internationally acclaimed wines, and is owner of a large game reserve in the Kalahari.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
Brait South Africa (Pty) Ltd	Current
Anglo-African Shipping Company (Pty) Ltd	Current
Schonegevel Holdings (Pty) Ltd	Current
Pepkor (Pty) Ltd	Current
Fi Operations (Pty) Ltd	Current
Invicta Holdings (Pty) Ltd	Current
Lourensford Fruit Company (Pty) Ltd	Current
Dorsland Diamante (Pty) Ltd	Current
Titan Share Dealers (Pty) Ltd	Current
Wieskor (Pty) Ltd	Current
Wiesfam Trust (Pty) Ltd	Current
Tradehold (Pty) Ltd	Current
Toerama (Pty) Ltd	Current
Titan Manor (Pty) Ltd	Current
Titan Group Investments (Pty) Ltd	Current
Titan Premier Investments (Pty) Ltd	Current
Pepkorfin (Pty) Ltd	Current
Titan Asset Management (Pty) Ltd	Current
Worldquest Investment Resources (Pty) Ltd	Current
Parinol (Pty) Ltd	Current
Matrix Development (Pty) Ltd	Current
Tomil Holdings (Pty) Ltd	Current
Titan Global Investments (Pty) Ltd	Current
Granadino Investments (Pty) Ltd	Current
Cenfund Investments (Pty) Ltd	Current

<u>Company</u>	<u>Status</u>
Fincom (Pty) Ltd	Current
Thibault Square Financial Services (Pty) Ltd	Current
Titan Financial Services (Pty) Ltd	Current
Fi Funding And Investments Holdco (Pty) Ltd	Current
Lourensford Holdings (Pty) Ltd	Current
Fi Funding And Investments Finance (Pty) Ltd	Current
Lourensford Sawmills (Pty) Ltd	Current
Radaj 2 (Pty) Ltd	Current
Loncape Finance (Pty) Ltd	Current
Oryx Management Services (Pty) Ltd	Current
Titan Trademarks (Pty) Ltd	Current
Grene Properties (Pty) Ltd	Current
Lourensford Brokenhill Sawmill (Pty) Ltd	Current
Pepkor Holdings (Pty) Ltd	Current
Move-On-Up 289 (Pty) Ltd	Current
Azuradox (Pty) Ltd	Current
Afropulse 500 (Pty) Ltd	Current
Zoloworx Investments (Pty) Ltd	Current
Newshelf 1093 (Pty) Ltd	Current
Auburn Avenue Trading 143 (Pty) Ltd	Current
Alenti 254 (Pty) Ltd	Current
Deuceprops 1014 (Pty) Ltd	Current
Deuceprops 1016 (Pty) Ltd	Current
Grene Properties (Pty) Ltd	Current
Sereno Properties No 8 (Pty) Ltd	Current
Sereno Properties No 9 (Pty) Ltd	Current
Yserfamilie (Pty) Ltd	Current
Deuceprops 1015 (Pty) Ltd	Current
Deuceprops 1018 (Pty) Ltd	Current
Deuceprops 3001 (Pty) Ltd	Current
Aussenkjer Boerdery (Incorporated In Namibia)	Current
Pallinghurst Resources Limited (Incorporated In Guernsey)	Current
Pallinghurst Resources (Guernsey) Gp Ltd	Current
Ceta Trading (Pty) Ltd	Current
Coala Bear Trading (Pty) Ltd	Current
Steinhoff International Holdings N.V. (Pty) Ltd	Current
Fundex Investments (Pty) Ltd	Current
The Sa Sme Fund (Pty) Ltd	Current
Psg Financial Services (Pty) Ltd	Resigned
Minor Investments (Pty) Ltd	Resigned
Vre Investments (Pty) Ltd	Resigned
Wouter J De Wet (Pty) Ltd	Resigned
Psg Group (Pty) Ltd	Resigned
Greatermans Finance Company (Pty) Ltd	Resigned
Massif Investments (Pty) Ltd	Resigned
Cenfund Investments (Pty) Ltd	Resigned
Energy Africa (Pty) Ltd	Resigned
Vendak Beleggings (Pty) Ltd	Resigned
Klee Investments (Pty) Ltd	Resigned
Ccij Investments (Pty) Ltd	Resigned
Inkonka Investments (Pty) Ltd	Resigned
Luna Group (Pty) Ltd	Resigned
Jeke Trading (Pty) Ltd	Resigned
Rickshaw Trade And Invest 2 (Pty) Ltd	Resigned
Main Street 290 (Pty) Ltd	Resigned
Dewberry Trading 4 (Pty) Ltd	Resigned
Idada Trading 141 (Pty) Ltd	Resigned
Elandspad Investments (Pty) Ltd	Resigned

<u>Company</u>	<u>Status</u>
Palaeofin (Pty) Ltd	Resigned
Palaeofin Security Spv (Pty) Ltd	Resigned
Gwen To Oxford 1 (Pty) Ltd	Resigned
Just Jasmine Investments 143 (Pty) Ltd	Resigned
Mcduck Investment Holdings (Pty) Ltd	Resigned
Western Crown Properties 64 (Pty) Ltd	Resigned
Titan Prefco (Pty) Ltd	Resigned
Titan Prefco Holdings (Pty) Ltd	Resigned
Mettle Vehicle Finance (Pty) Ltd	Resigned
Georgia Avenue Investments 73 (Pty) Ltd	Resigned
Sangricraft Investments (Pty) Ltd	Resigned
Mayabex (Pty) Ltd	Resigned
Ventiwiz Investments (Pty) Ltd	Resigned
Luna Holdings (Pty) Ltd	Resigned
Moxispot (Pty) Ltd	Resigned
Incapart Investments (Pty) Ltd	Resigned
Sereno Properties No 7 (Pty) Ltd	Resigned

1.5. Name and Position: Stuart Platt-Ransom (Lead Independent Non-Executive Director)

Date of appointment: September 2007

Age: 47

Nationalities: British and South African

Business address: Somers House, Rue Du Pre, St Peter Port Guernsey, GY1 1LU

Qualifications: Chartered FCSI, CMgr FCMI, FInstLM, FloD

Experience: Stuart Platt-Ransom is the chief executive officer of Ferbrache & Farrell LLP and is responsible for day-to-day management and operations. He has over 25 years of experience in the financial services sector in executive management, operations, sales, marketing and product development across markets in the UK, Europe, Africa and Middle East.

Stuart was previously chairman and chief executive officer of the Legis Group, a role to which he was appointed in July 2007. He successfully led a management buyout in 2011 where he transformed a low profile business into one of Guernsey's largest and most highly rated and award-winning independent financial services firms, subsequently selling the trust and corporate division to Butterfield Bank and the fund administration division to the Vistra Group in 2014. He spent the previous 12 years with State Street Corporation in its South Africa, Luxembourg, Dublin, London and Guernsey offices in various roles. Prior to that, Stuart worked for GAM in the Isle of Man.

He serves as a non-executive director on a number of companies including a bank-owned trust company, a fund administration company and listed private equity and property company structures.

He is a Chartered Fellow of the Chartered Institute for Securities & Investment, a Chartered Manager & Fellow of the Chartered Management Institute, a Fellow of the Institute of Leadership & Management and a Fellow of the Institute of Directors. He is a British and South African citizen and a resident of Guernsey.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
Pallinghurst Resources Limited	Current
Pallinghurst Resources (Guernsey) GP Limited	Current
Balele Services Limited	Current
Bannerman (Capital) Limited	Current
Butterfield Trust (Guernsey) Limited	Current
Consortia Partners Limited	Current

<u>Company</u>	<u>Status</u>
DEBL Capital Partners Limited	Current
International Capital Investments Limited	Current
Legis Group Holdings Limited	Current
PSG Fund Management (C.I) Limited	Current
PSG Mutual Fund ICC Limited and its 4 ICs	Current
Raglan Limited	Current
ALF Guernsey Limited	Resigned
ALP Guernsey Limited	Resigned
Anne Street Limited	Resigned
British Capital Property Investments Limited	Resigned
Bullion Funds GP Limited	Resigned
Collins International Limited	Resigned
Cornerstone Asset Managers Limited	Resigned
Doric Limited	Resigned
Fifth Ovalap Limited	Resigned
First Ovalap Limited	Resigned
Fourth Ovalap Limited	Resigned
Ionic Limited	Resigned
Lapco Limited	Resigned
Legis (MRL) Limited	Resigned
Legis Administration (Pty) Limited	Resigned
Legis BVI Limited	Resigned
Legis Corporate Services Limited	Resigned
Legis Fund Services (Jersey) Limited	Resigned
Legis Group (IOM) Holdings Limited	Resigned
Legis Group BVI Limited	Resigned
Legis Group Limited	Resigned
Legis Maritime Services Limited	Resigned
Legis Nominees Limited	Resigned
Legis T&C Holdings Limited	Resigned
Legis Trust & Corporate Administration Limited	Resigned
Legis Trust Limited	Resigned
Les Bourgs Hospice	Resigned
Lookout Investments Limited	Resigned
LTS Tax Limited	Resigned
New Street Procurement Limited	Resigned
Nomos Trustees Limited	Resigned
Ovaco Limited	Resigned
Ovalap Nominees Limited	Resigned
Procurement 2010 Limited	Resigned
Second Ovalap Limited	Resigned
Sixth Ovalap Limited	Resigned
State Street Trustees (Guernsey) Limited	Resigned
State Street Southern Africa (Pty) Ltd	Resigned
Third Ovalap Limited	Resigned
Vistra Compliance Services (Guernsey) Limited	Resigned
Vistra Depositary Services (Guernsey) Limited	Resigned
Vistra Fund Services (Guernsey) Limited	Resigned
Vistra Holdings (Guernsey) Limited	Resigned
Vistra I (Guernsey) Limited	Resigned
Vistra II (Guernsey) Limited	Resigned
Vistra Nominees I (Guernsey) Limited	Resigned
Vistra Nominees II (Guernsey) Limited	Resigned
Vistra Secretarial Services (Guernsey) Limited	Resigned

1.6. Name and Position: Martin Tolcher (Independent Non-Executive Director)

Date of appointment: 25 November 2008

Age: 52

Nationality: British

Business address: 2nd Floor, 23–25 Le Pollet, St Peter Port, Guernsey, GY1 1WQ

Qualifications: Chartered FCSI

Experience: Martin Tolcher has been involved within the fund administration industry in Guernsey for over 25 years. Mr Tolcher has worked at senior levels for three Guernsey subsidiaries of Bermudan and Canadian international banks, gaining considerable experience in a wide variety of offshore fund and private equity structures.

Mr Tolcher joined Vistra Fund Services (Guernsey) Limited (previously called Orangefield Legis Fund Services Limited) in 2005 and was appointed managing director at the beginning of 2007, a position he held until the end of 2010. Mr Tolcher remained a director of that company until September 2011.

Since November 2011, Mr Tolcher has been self-employed as an independent non-executive director, and holds directorships within other fund structures domiciled in Guernsey, including a number listed on the London Stock Exchange and Channel Islands Securities Exchange. Mr Tolcher is a Chartered Fellow of the Chartered Institute for Securities & Investment. Mr Tolcher is a British citizen and is a resident of Guernsey.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
Pallinghurst Resources Limited	Current
Pallinghurst Resources (Guernsey) GP Limited	Current
Pallinghurst GP Limited	Current
Global Specialised Opportunities 1 Limited	Current
AB International Fund PCC Limited	Current
AB Alternative Strategies Fund PCC Limited	Current
IIAB PCC Limited	Current
AB Fund Managers (Guernsey) Limited	Current
KDC Properties Limited	Current
Darwin Property Investment Management (Guernsey) Limited	Current
Darwin West Country (Guernsey) Limited	Current
Darwin Finance (Guernsey) Limited	Current
Darwin Alternative Investment Management (Guernsey) Limited	Current
Darwin LA (Guernsey) Limited	Current
Darwin LA Finance (Guernsey) Limited	Current
Darwin Leisure Development Properties (Guernsey) Limited	Current
Darwin Leisure Development Finance (Guernsey) Limited	Current
Longcross Property Investment Fund Limited	Current
Damille Investments II Limited	Current
MENA Capital Management Limited	Current
MENA Advisors Limited	Current
The Finance Sector Non-Executive Forum LBG	Current
Novar Finance GP Limited	Resigned
Novar Finance (Guernsey) Limited	Resigned
Catagnana Limited	Resigned
Japan Special Opportunities Limited	Resigned
In Vivo Capital GP Limited	Resigned
Global Phoenix Investments Limited	Resigned
Nevsky Property asset Management Limited	Resigned
Collins International Limited	Resigned
Legis Fund Services Limited	Resigned

<u>Company</u>	<u>Status</u>
Legis Fund Services (Jersey) Limited	Resigned
NBAD Global Growth Fund PCC Limited	Resigned
NBAD Fund Managers (Guernsey) Limited	Resigned
Eagle Venture Partners Limited	Resigned
Louis Group European Property Limited	Resigned
Global Specialised Opportunities 1 Limited	Resigned
D&G Investment Management Limited	Resigned
Pure Capital PCC Limited	Resigned
Blue Skye GP Limited	Resigned
British Capital Property Investments Limited	Resigned
British Capital Property Limited	Resigned
British Capital Finance Limited	Resigned
Cornerstone Asset Managers Limited	Resigned
Lookout Investments Limited	Resigned
St Peter Port Investment PCC Limited	Resigned
Core Funds PCC Limited	Resigned

1.7. Name and Position: Clive Harris (Independent Non-Executive Director)

Date of appointment: September 2007

Age: 61

Nationalities: British and Cayman Islands

Business address: Box 30142, Grand Cayman, Cayman Islands KY1 1201

Qualifications: BSc (Econ), ACA

Experience: Clive Harris serves as an independent non-executive director to a number of prominent onshore and offshore investment funds, managers and other regulated entities and has extensive experience in the fields of company management, investment services, and the governance and administration of hedge funds.

Mr Harris graduated in 1976 from The University of Wales with a BSc (Econ) with combined honours in Accountancy and Law. In 1979 Mr Harris qualified as a Chartered Accountant with the City of London office of Deloitte Haskins & Sells. Mr Harris has resided in the Cayman Islands since December 1979, where he was employed for some 20 years as a director and managing director of International Management Services Limited, and was a partner in its associated accounting firm.

In 2001, Mr Harris took up a consulting position with the Bank of Bermuda (Cayman) Limited (now part of HSBC) and was subsequently appointed managing director and head of Global Fund Services during a time of reorganisation, leaving the Bank on its completion in 2003.

Mr Harris is a Chartered Accountant (England and Wales), a member of the Institute of Directors (UK), and is a member and past executive committee member of the Cayman Islands Directors' Association. Mr Harris is a British and Cayman Islands citizen, and is resident in the Cayman Islands.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
The Carrousel Fund Limited	Current
ZAM Asset Finance Fund Limited	Current
Marathon Vertex Japan Fund Limited	Current
Pallinghurst GP Limited	Current
Fabergé Limited	Current
Pallinghurst (Cayman) Founder Limited	Current
Pallinghurst Consolidated (Cayman) Limited	Current
Marathon Fusion Japan Fund Limited	Current
OEI Mac Inc	Current

<u>Company</u>	<u>Status</u>
Odey European Inc	Current
Cobalt Hill Capital Limited	Current
Pallinghurst Resources Limited	Current
Pallinghurst Resources (Guernsey) GP Limited	Current
Fabergé Conduit Ltd	Current
Pallinghurst Kalahari Limited	Current
Marathon Asset Management (Cayman) Limited	Current
Fidam Global Fund SPC Limited	Current
TT Mid Cap Europe Long Short Fund Limited	Current
TT Mid Cap Europe Long Short Alpha Fund Limited	Current
Giano Capital Ltd	Current
Fabergé Suisse	Current
HCC Feeder Fund, Ltd	Current
Phoenixinvest Pacific Fund	Current
FQS Alternatives Fund Limited	Current
Highbridge Capital Institutional Fund Ltd	Current
FQS General Partner Limited	Current
Highbridge GP II, Ltd	Current
Prism Fund	Current
TT International Hedge Funds SPC	Current
TT International Hedge Funds Feeder SPC	Current
TT International Hedge Funds US Feeder SPC	Current
GH Holdings Ltd	Current
Gavea Fund Ltd	Current
Gavea Master Fund Ltd	Current
Gavea Vertex Fund Ltd	Current
GEBEX Fund Ltd	Current
TT International Fund Ltd	Current
Credit Opportunities Fund 2011 Ltd	Current
Fabergé Inc	Current
Halberdier Fourteen	Current
Swansley Holdings Ltd	Current
Nau Multi Strategy Fund Inc (was Nau Fund Inc)	Current
Highbridge International LLC	Current
Gavea Bridgewood Fund Ltd (was GF One Ltd)	Current
Highbridge Asia Strategies Fund Ltd	Current
Highbridge Tactical Credit and Convertibles Fund Ltd	Current
Highbridge GP III, Ltd	Current
Gavea Fund Plus Ltd	Current
Gavea Master Plus Ltd	Current
The Marylebone Lane Master Fund	Current
The Marylebone Lane Fund	Current
Marylebone General Partner Limited	Current
Marylebone Partners Ltd	Current
Somerset Capital Management (Cayman) Ltd	Current
Capeview Azri Fund	Current
Capeview Azri 2X Fund	Current
Capeview Recovery Fund	Current
SLF III GP Ltd	Current
Odey General Partner	Current
Odey Odyssey Cayman	Current
Odey Odyssey Master	Current
Martin Currie Japan Absolute Return Fund	Current
Martin Currie Japan Absolute Return Master Fund	Current
Columbus Opportunities Fund Ltd	Current
TT Emerging Markets Opportunities Fund Limited	Current
JASO Limited	Current
Kingsway Capital Management Limited	Current

<u>Company</u>	<u>Status</u>
Kingsway Capital Ltd	Current
TT Emerging Markets Opportunities Fund II Ltd	Current
Capeview Azri Strategic Fund	Current
Odey Cayman Feeder SPC	Current
SLF III GP II Ltd	Current
TT Horizon Opportunities Feeder Fund Limited	Current
TT Horizon Opportunities Fund Limited	Current
CHRC SL GP, LLC	Current
HPS GP, Ltd	Current
HPS GP, LLC	Current
Credit Value Master Fund 2016 Subsidiary, Ltd	Current
Asia L/S Credit Offshore Fund, Ltd	Current
Capeview Volatility Fund	Current
Engadine Equity Fund	Current
SLF CX Holdings GP Ltd	Current
Cactus Direct Holdings GP LLC	Current
Marathon European Hedge Fund Ltd	Current
Highbridge Capital Corporation	Current
Highbridge G.P. LLC	Current
Highbridge G.P, Ltd	Current

1.8. Name and Position: Lumkile Mondi (Independent Non-Executive Director)

Date of appointment: 29 October 2015

Age: 53

Nationality: South African

Business address: PO Box 1392, Honeydew, 2195 Johannesburg, Gauteng, Republic of South Africa

Qualifications: MA Economics, BCom (Hons) Economics

Experience: Lumkile Mondi is a Senior Lecturer at the School of Economics and Business Science of the University of the Witwatersrand in Johannesburg, South Africa. Mr Mondi is a strategist, economist and a leader. He has worked extensively in the African continent undertaking his responsibilities at the Industrial Development Corporation (IDC), where he was an executive for eleven years. He also serves on the boards of Aerosud and GAIA Infrastructure Capital Limited and is the chairman of Musa Group and Thelo Rolling Stock Leasing. He has previously served on the board of ArcelorMittal South Africa.

Mr Mondi has more than 20 years of postgraduate experience and over seven years working in financial markets in interest rate derivatives and asset and liability management. Mr Mondi is also involved in the BRICS think tanks in institutional strengthening and coordination. He has presented and participated in various conferences worldwide, including the UN, World Bank, BNDES and OECD.

Mr Mondi has travelled extensively throughout the world bringing innovation in his work for a better world for all. Mr Mondi is a South African citizen.

Term of office: Refer to Appendix 1 to these Revised Listing Particulars.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
Arcelor Mittal SA Ltd	Resigned
Fasyl Technology Group (Pty) Ltd	Current
Thelo Rolling Stock Leasing (Pty) Ltd	Current
Yard Capital (Pty) Ltd	Current
Musa Group (Pty) Ltd	Current
Aerosud Holdings (Pty) Ltd	Current
Pallinghurst Resources Ltd	Current

<u>Company</u>	<u>Status</u>
Pallinhurst Resources (Guernsey) GP Ltd	Current
GAIA Infrastructure Capital Limited	Current

2. Directors of Gemfields

2.1. Name and Position: Graham Mascall (Chairman)

Date of appointment: 29 November 2004

Age: 70

Business address: 1 New Burlington Place, London W1S 2HR

Experience: Graham Mascall graduated as a mining engineer in 1969 from the Camborne School of Mines and gained a Master of Engineering in Mineral Economics from McGill University, Montreal, in 1972. Since then, his experience has spanned both mining and mining finance. He held senior positions at Barclays Bank, Outokumpu Metals & Resources and Morgan Grenfell before joining Billiton PLC as head of M&A in 1997. Graham has also been CEO of two AIM listing mining development companies and a Non- Executive Director of several other AIM, TSX and NYSE listed mining companies.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
Walter Energy Inc	Current
Gemfields BVI Limited	Current
London Mining Plc	Resigned
Lubel Coal Company (UK) Limited	Resigned
Ncondezi Services (UK) Limited	Resigned
International Moybdenum Limited	Resigned
BHP Billiton International Development Limited	Resigned

2.2. Name and Position: Ian Harebottle (Chief Executive Officer)

Date of appointment: 11 February 2009

Age: 54

Business address: 1 New Burlington Place, London W1S 2HR

Experience: Ian Harebottle is a veteran of the coloured gemstone industry. He has been instrumental in pioneering many of the coloured gemstone industry's most innovative strategies, and has extensive operational experience in mining and marketing. Ian graduated from the Witwatersrand Technical College in 1985 and holds a Graduate Diploma in Management from Henley. Prior to becoming actively involved in the coloured gemstone industry, Ian ran a highly successful independent consultancy firm specialising in assisting large organisations cope with the impact of sudden change within their operating environment. His clients included a number of South Africa's largest mining organisations, various banks and many of the country's public utilities.

2.3. Name and Position: Janet Boyce (Chief Financial Officer)

Date of appointment: 5 August 2013

Age: 35

Business address: 1 New Burlington Place, London W1S 2HR

Experience: Janet Boyce joined Gemfields as Chief Financial Officer on 5th August 2013. Ms. Boyce has the overall responsibility for Gemfields' the Company's financial management and control, risk management, external financing, investor relations and managing reporting on external stakeholders. Prior to joining Gemfields, Ms. Boyce worked for Eurasian Natural Resources Corporation PLC, PricewaterhouseCoopers and Ernst & Young.

<u>Company</u>	<u>Status</u>
Gemholds Limited	Current
Hagura Mining Limited	Current
Gemholds Colombia Limited	Current
Gemholds Ethiopia Limited	Current
Forest Hold Co Limited	Current
Gemholds Brazil Limited	Current
Peninsula Hold Co Limited	Current
Island Hold Co Limited	Current
Fabergé (UK) Limited	Current

2.4. Name and Position: Sean Gilbertson (Executive Director)

Date of appointment: 13 May 2008

Age: 44

Nationality: British and South African citizen

Business address: 1 New Burlington Place, London W1S 2HR

Experience: Sean Gilbertson graduated as a mining engineer from Wits University in South Africa having spent time in the country's deep level gold and platinum mines. Mr Gilbertson worked as project financier for Deutsche Bank in Frankfurt and London specialising in independent power projects and public/private partnerships.

In 1998, Mr Gilbertson co-founded globalCOAL, a company that played a central role in the commoditisation of the thermal coal industry, and was appointed chief executive officer in 2001 when the business was acquired by industry players including Anglo American plc, BHP Billiton plc, Glencore International AG and Rio Tinto plc. He was also co-founder of the pioneering Spectron eMetals trading platform for category I and II members of the London Metals Exchange.

Mr Gilbertson is a founding partner of both Pallinghurst Advisors LLP and the Investment Manager and is primarily responsible for Pallinghurst's coloured gemstone strategy. Mr Gilbertson is a director of Gemfields and Fabergé Limited, as well as assorted related companies.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
Pallinghurst Advisors LLP	Current
Fabergé Limited	Current
Hagura Mining Limited	Current
Gigajoule Limited	Current
Spectron Emetals Limited	Resigned

2.5. Name and Position: Clive Newall (Independent Non-Executive Director)

Date of appointment: 19 April 2005

Age: 67

Business address: 1 New Burlington Place, London W1S 2HR

Experience: Clive Newall was previously a director of a number of junior mining companies, including Anvil Mining Ltd and Kensington Resources Ltd. Earlier in his career, he held senior management positions with Amax Exploration Inc and the Robertson Group. Mr Newall graduated from the Royal School of Mines in 1971 and has an MBA from the Scottish Business School.

Mr Newall is founder and president of First Quantum Minerals Limited. He is also a director of Baker steel Resources Trust Limited.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
First Quantum Minerals Limited	Current
Baker Steel Resource Trust Limited	Current
Metal Corp Trading (UK) Ltd	Current
Kiwara UK Limited	Current
Kiwara Limited	Resigned

2.6. Name and Position: Finn Behnken (Independent Non-Executive Director)

Date of appointment: 13 May 2008

Age: 45

Business address: 1 New Burlington Place, London W1S 2HR

Experience: Finn Behnken specialised in mining finance and spent ten years with South Africa's Nedbank Ltd, where he served as a Non-Executive Director to some of the bank's mining investments. In 2006, he moved to London to develop Nedbank's international business. Mr Behnken joined Pallinghurst Advisors LLP in October 2007 and was appointed as a Non-Executive Director of Gemfields and Tshipi é Ntle Manganese Mining (Pty) Limited (Tshipi) in 2008. In 2011, he commenced full time employment as Chief Executive Officer of Tshipi and oversaw the construction of a new US\$200 million manganese mine in South Africa. With Tshipi achieving stable production, he stepped down from Tshipi in order to explore other interests in the resources sector. Mr Behnken graduated as a mining engineer from the University of the Witwatersrand, South Africa in 1994, having worked in coal and gold mining.

Mr Behnken is representing Auramet International LLC IN Africa. Auramet is a US-based international precious metal merchant.

Current directorships/partnerships and directorships/partnerships in the past five years:

<u>Company</u>	<u>Status</u>
Auramet International LLC in Africa	Current

Appendix 5

DIRECTORS DECLARATIONS

None of the Directors have been involved in:

1. any bankruptcies, insolvencies or individual voluntary compromise arrangements of such person;
2. any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, 2008 (Act No. 71 of 2008), receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company; where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding, any such event(s);
3. any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such event(s);
4. receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the 12 months preceding, such event;
5. any public criticisms of such person by statutory or regulatory authorities, including recognised professional bodies, and whether such person has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
6. any offence involving dishonesty committed by such person;
7. a removal from an office of trust, on the grounds of misconduct and involving dishonesty; and
8. any court order declaring such person delinquent or placing him under probation in terms of section 162 of the Act and/or section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984) or disqualifying him to act as a director in terms of the Companies Act, 2008 (Act No. 71 of 2008).

Appendix 6

DIRECTORS REMUNERATION, BENEFITS AND SHARE OPTIONS

1. DIRECTORS' INTEREST

1.1. Directors' interest in Shares (as at the Last Practicable and following the Offer) are set out below:

Name	As at the Last Practicable Date		Immediately following completion of the Offer*	
	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue	No. of Ordinary Shares	As a percentage of total Ordinary Shares in issue
Dr Christo Wiese ⁽¹⁾	151,238,953	19.89	156,003,606	11.19%
The Brian Gilbertson Discretionary Settlement ⁽²⁾	24,261,669	3.19	24,261,669	1.74%
Arne H. Frandsen	4,237,369	0.56	4,237,369	0.30%
Andrew Willis	2,446,054	0.32	2,480,434	0.18%
Clive Harris	437,652	0.06	437,652	0.03%

Notes:

(1) Dr Wiese holds indirect interests in 149,034,253 shares via the following entities: Radaj 2 (Pty) Ltd (12.51%), Radaj 2 (Pty) Ltd #2 (4.14%), Titan Share Dealers (Pty) Ltd (1.41%), Investec Bank (Switzerland) AG (0.79%), Citiclient Nominees No 8 LDN GW (0.73%) and Titan Share Dealers (Pty) Ltd (TIT47) (0.02%). In addition, a further 2,204,700 Ordinary Shares, or 0.29%, are held by members of Dr Wiese's immediate family; including these shares would increase Dr Wiese's total shareholding to 19.89%.

(2) A discretionary trust of which Brian Gilbertson is a beneficiary.
The above table represents shareholdings for each of the entities but does not show see-through holdings. For example, the largest see-through holding would be for Brian Gilbertson who has an interest in Autumn Holdings Asset Inc., Pallinghurst Resources Management L.P. and Pallinghurst (Cayman) Founder L.P. Separately, Brian Gilbertson through his trust currently owns 3.19% in Pallinghurst. Similarly, Sean Gilbertson has an interest in Autumn Holdings Asset Inc. and is named as a beneficiary of the trust holding the 3.19% stake in Pallinghurst.

* The number of New Pallinghurst Ordinary Shares is based on the total issued share capital of Gemfields of 549.8 million shares and a potential maximum issue of 41.1 million Gemfields Shares as a result of Gemfields option holders exercising their options.

2. DIRECTORS' REMUNERATION, BENEFITS AND SHARE OPTIONS

2.1. It is proposed that the current management structure be dissolved so that the management and investment function of Pallinghurst can be internalised going forward. In order to do so, the Investment Management Agreement would be terminated by consent between the parties thereto and the Company will enter into the new Service Agreements. In addition, Pallinghurst wishes to establish the Pallinghurst Share Plan and to issue Options to Qualifying Employees (as more fully contemplated in paragraph 12 of the Circular).

2.2. The issue of the Options pursuant to the Pallinghurst Share Plan requires the approval of the Pallinghurst Shareholders by way of special resolution at the General Meeting. If the Pallinghurst Shareholders approve the Pallinghurst Share Plan at the General Meeting, the Options contemplated in the Service Agreements will become effective. The total remuneration, benefits and fees paid or accrued as payable to the non-executive Directors for the 12 months ended 31 December 2016 are shown below.

	Directorship of the Company US\$'000s	Directorship of other Group companies US\$'000s	Audit Committee US\$'000s	Lead Independent Director US\$'000s	Total US\$'000s
Stuart Platt-Ransom	35	—	3	2	40
Clive Harris	35	2	3	—	40
Martin Tolcher	35	—	5	—	40
Dr Christo Wiese	35	—	—	—	35
Lumkile Mondli	35	—	—	—	35

2.3. The Executive Directors are not remunerated for their role as Directors. However, Brian Gilbertson, Arne H. Frandsen, Andrew Willis are partners of the Investment Manager.

2.4. The Investment Manager is entitled to an Investment Manager's Benefit ("**IMB**") each accounting period. The basis for calculation of the IMB is 1.5% per annum of the lower of either the aggregate acquisition cost, or the fair value, of the Group's unrealised investments (based on the Group's most recent published financial statements).

2.5. Performance Incentive

2.5.1. Subject to certain conditions, the Investment Manager is also entitled to a performance incentive related to the performance of the Group's investments ("**Performance Incentive**"). The excess of the total funds returned, and/or available for return, to Shareholders, over the total amount subscribed in each separate capital raising to date, will be split between the Shareholders (80%) and the Investment Manager (20%). This is subject to a hurdle of 8% of the Company's funds (being the sum of the Company's share capital and share premium), compounded annually and calculated daily per annum ("**Hurdle**") and until the Hurdle is reached, the Investment Manager is not entitled to any Performance Incentive. The Investment Manager would only receive the Performance Incentive if aggregate returns to Shareholders over the life of the Company are in excess of 8% per year.

2.5.2. The Directors assess whether a provision for the Performance Incentive should be made at the end of each reporting period. The Directors also assess whether the provision should be accounted for as a current or non-current liability, based on their best assessment of the likely timing of any outflow.

2.5.3. The provision for the Performance Incentive is calculated as follows:

2.5.3.1. the Group's aggregate proceeds are allocated entirely to shareholders until such time as shareholders have received an aggregate amount of the Company's Funds plus the Hurdle. For the purposes of this paragraph 2.5.3, "Aggregate Proceeds" are equal to the Group's net asset value after adding back any provision for the Performance Incentive. For this calculation, it is assumed that all investments will be disposed of at their current fair value, with no associated transaction costs, and that all proceeds will be distributed immediately;

2.5.3.2. thereafter, the Investment Manager is allocated all further Aggregate Proceeds until it has been allocated an amount equal to 25% of the Hurdle; and

2.5.3.3. Aggregate Proceeds are then allocated 80% to investors and 20% to the Investment Manager.

2.6. There have been no management, consulting, technical or other fees paid for the services of the Directors, whether directly or indirectly, paid to a Director other than those disclosed in paragraphs 2.1 to 2.5 above.

2.7. None of the Directors have received any commission or have been party to any gain or profit-sharing arrangements as at the Last Practicable Date.

Appendix 7

CORPORATE GOVERNANCE AND 2016 KING III ASSESSMENT REPORT

1. CORPORATE GOVERNANCE

1.1. Overview

The Board is the focal point of the Group's corporate governance and is ultimately accountable and responsible for the key processes and the performance and affairs of the Pallinghurst Group and the Company. The Pallinghurst Group adheres to the JSE Listing Requirements and to the principles of King III on a "comply or explain" basis.

1.2. Board Responsibilities

The Board's responsibilities include providing strategic direction and overseeing the performance of the Pallinghurst Group's investment portfolio. This includes reviewing the performance of current investments and evaluating potential acquisitions and divestments. The Board is also responsible for determining policies and processes which seek to ensure the integrity of the Pallinghurst Group's risk management and internal controls, implementing and maintaining the Pallinghurst Group's communication strategy and for ensuring the integrity and effectiveness of the Pallinghurst Group's governance processes.

1.3. Board Composition

1.3.1. King III recommends that a Board should comprise a balance of Executive and Non-Executive Directors, with a majority of Non-Executive Directors. The Board currently consists of three Executive Directors and five Non-Executive Directors. Mr Platt-Ransom, Mr Harris, Mr Tolcher and Mr Mondi are considered independent in the context of King III. Dr Wiese is not considered independent in the context of King III due to his shareholding in the Company (which is above 5%).

1.3.2. The roles of the Chairman and Chief Executive are formalised, separate and clearly defined. This creates a balance of power and authority and means that no individual is able to exercise unrestricted power. King III recommends that the Board should be led by an independent non-executive chairman who should not be the chief executive officer of the Company. The offices of Chairman and Chief Executive are separate. The Chairman of the Company, Mr Gilbertson, is an Executive Director, which does not comply with King III. The other members of the Board believe that the Chairman's wealth of knowledge and experience mean that he is best placed to provide overall leadership to the Board.

1.3.3. Mr Platt-Ransom is the Company's Lead Independent Non-Executive Director. The Lead Independent Non-Executive Director's main responsibilities are to chair any meeting in which the Chairman has a conflict of interest, and to give stakeholders a point of contact separate from the Executive Directors.

1.4. Executive Directors

The Executive Directors, Brian Gilbertson (Chairman), Arne H. Frandsen (Chief Executive) and Andrew Willis (Finance Director) are responsible for the Group's strategic direction and everyday management. The Executive Directors often act as directors of the Group's Investments, for example, Mr Gilbertson is the chairman of Sedibelo and Jupiter, and Mr Frandsen is executive deputy chairman of Sedibelo. In addition, the Executive Directors attend each of the Company's Board meetings.

1.5. Board Meetings

Board meetings are scheduled on a quarterly basis each year, to consider the Pallinghurst Group's strategy, performance, investment valuations and other issues. Additional Board meetings may be convened on an ad hoc basis. Directors use their best endeavours to be present at Board meetings and participate fully, frankly and constructively. Matters are decided at Board meetings by a majority of votes. In case of an equality of votes the chair does not have a second or casting vote.

1.6. Board Committees

The Board has established certain committees to assist in discharging its responsibilities.

1.7. Rotation of Directors

The Company's Articles of Incorporation specify that one-third of the Non-Executive Directors shall retire from office at each Annual General Meeting, by rotation. In addition to these retiring Directors, any Director appointed since the previous Annual General Meeting also retires from their office. However, a retiring Director can be re-elected at the same Annual General Meeting and if re-elected is deemed to have not vacated their office.

1.8. Company Secretary

Vistra Fund Services (Guernsey) Limited ("Vistra Guernsey", previously Orangefield Legis Fund Services Limited) acts as the Pallinghurst Group's Company Secretary, rather than a specific individual. Vistra Guernsey employs a number of individuals who are able to assist the Board as necessary, with experience in areas including corporate governance, directors' fiduciary responsibilities, compliance and private equity fund structures. The Company Secretary presents the Board with a governance update at each scheduled meeting; the update usually includes operational issues, the UK Bribery Act and the Guernsey Code of Corporate Governance. Other issues are raised as appropriate.

Vistra Guernsey also considers other non-binding codes, rules and standards, assesses the impact and recommends a suitable course of action to the Board. The Board takes responsibility for deciding whether to follow the recommendations of the Company Secretary and for ensuring compliance with applicable laws.

The Board is required to consider and satisfy itself on an annual basis on the competence, qualifications and experience of the Company Secretary (as a consequence of the Company's JSE listing).

The Board believes that it is better-served by having access to a broader range of advice via Vistra Guernsey than employing an individual as Company Secretary. Vistra Guernsey is regulated by the GFSC and employs individuals with a wide range of skills and experience that the Board is able to draw upon as required. The Board is satisfied that the Company Secretary has the requisite competence, qualifications and experience to carry out the required responsibilities. The Board also engages external legal counsel and other advisors as necessary. The Board is satisfied that the relationship between Vistra Guernsey (as the Company Secretary) and the Board is at arm's length.

1.9. Risk Management

The Directors are responsible for the Pallinghurst Group's system of internal controls, which is designed to provide reasonable assurance against Material misstatement and loss. The Pallinghurst Group's system of internal controls is designed to provide assurance on the maintenance of proper accounting records, and the completeness and accuracy of financial information used by the Board for decision making and provision to shareholders. The internal control system includes the following elements:

- 1.9.1. a Risk Register which is monitored on an ongoing basis;
- 1.9.2. an organizational structure and division of responsibilities; and
- 1.9.3. policies and procedures governing financial reporting, accounting and payments.

1.10. Investment Valuations

The Directors are collectively responsible for the estimation of the fair value of each investment each reporting period. In addition, an Independent Valuer is engaged to review the Pallinghurst Group's investment valuations. The Independent Valuer provides an opinion that the valuation of each investment as determined by the Directors, has been prepared using a methodology and approach which is reasonable, is consistent with the concept of fair value under IFRS, and is in accordance with the International Private Equity and Venture Capital valuation guidelines.

1.11. Sustainability Reporting

The Directors recognise the importance of sustainable development. As an investment holding company, the Company does not have a significant direct impact on the natural environment in which it operates. Responsibility for sustainable development is largely retained by the Investments within the Group's Investment portfolio. Detailed sustainability information for the Group's Investment portfolio can usually be obtained from publicly available information relating to the relevant Investments.

King III recommends that the Board should seek independent assurance on the Group's sustainability reporting. Key responsibilities for sustainability reporting are largely retained by the Group's Investments, Sedibelo, Gemfields and Jupiter. Where possible, the Board uses its influence on the Group's investments to ensure that independent assurance is provided on their sustainability reporting

1.12. Shareholder Communication with the Board.

Shareholders are able to communicate with the Board either by attending the AGM in person or by submitting proxy voting forms. The Directors regularly meet with analysts, investors and the South African media. The Company also communicates with shareholders via its annual report, interim report, press announcements, circulars and announcements through SENS.

1.13. Internal Audit

King III recommends that all companies implement an internal audit function. The Pallinghurst Group utilises Vistra Guernsey as its Administrator. The Administrator is responsible for the provision of the Company's accounting function and the Board believe that it would not be appropriate for the Pallinghurst Group to appoint its own internal audit function.

1.14. Dealing in Securities

The Company has a defined policy for the conduct of Directors in relation to dealing in the Company's shares. The JSE Listings Requirements define closed periods, which are around the time of the annual financial statements, the interim financial statements, or around the release of any other major announcements, price sensitive negotiations, acquisitions or disposals, or pending the release of any other price sensitive information. Directors (and their close family members) are prohibited from trading in the Company's shares during these closed periods. Directors are able to trade the Company's shares outside of these periods, after first obtaining approval in writing from the Chairman and the Finance Director. Any transactions are advised to the JSE and BSX and are published on SENS and on the Company's website.

1.15. Audit Committee

The Audit Committee is constituted by the Board, has an independent role and is accountable both to the Board and to shareholders.

The Audit Committee's mandate is set out in its terms of reference and includes the following responsibilities:

- 1.15.1. monitoring the accuracy and integrity of the Group's financial and other reporting;
- 1.15.2. monitoring the effectiveness of risk management processes and internal controls at Vistra Guernsey;
- 1.15.3. recommending the appointment of external auditors to shareholders on an annual basis;
- 1.15.4. reviewing the scope, results and cost effectiveness of the Independent Valuer; and
- 1.15.5. reviewing the expertise and experience of the Finance Director.

In addition to the committee members, the Finance Director may attend meetings by invitation. The Chair of the committee usually meets separately with both the Finance Director and the auditor, Saffery Champness ("**Saffery**") in advance of committee meetings. The committee may meet with Saffery either formally or informally, throughout the year; the audit partner has access

to the committee via the Chair. The Chair of the committee decides whether to convene any unscheduled meetings and who should be invited to such meetings.

The Group utilises a third party administrator, Vistra Guernsey. The provision of the Company's accounting function is one of Vistra Guernsey's key duties. The Audit Committee has recommended to the Board that the Group should not appoint its own internal audit function.

Vistra Guernsey is regulated by the GFSC and maintains a robust environment of systems and controls, with separate Risk and Compliance functions. This environment is reviewed by Vistra Guernsey's auditor, PwC, as part of Vistra Guernsey's annual audit process. In addition, Vistra Guernsey has engaged PwC to produce a report on internal controls in accordance with International Standard of Assurance Engagements 3402: Assurance Reports on Controls at a Service Organisation. The most recent report is dated 9 February 2016 and reports on the internal controls in place at 31 October 2015. The report concluded that Vistra Guernsey had designed and put in place suitable control procedures in order to meet its control objectives. The Audit Committee is satisfied that Vistra Guernsey's internal controls are adequate and fit for purpose.

1.16. Nomination Committee

The Nomination Committee assists the Board in setting and administering the Company's nominations and succession policy. The committee is constituted by the Board and is accountable both to the Board and to shareholders. The committee assists the Board in its oversight of the following areas:

- 1.16.1. Review of the structure, size and composition of the Board on an ongoing basis, with the recommendation of any changes to the Board as necessary.
- 1.16.2. The identification of suitable candidates for appointment to the Board.
- 1.16.3. Oversight of the reappointment process for all Directors at the point of their retirement by rotation in accordance with provisions in the Company's Articles of Incorporation.

The Nomination Committee meets as often as required and not less than once per year.

1.17. Remuneration Committee

The Remuneration Committee is constituted by the Board, has an independent role and is accountable both to the Board and to shareholders.

The Remuneration Committee performs the following duties in line with its mandate:

- 1.17.1. Monitors amounts paid to the Investment Manager and negotiates the terms of and/or renewal of any agreements entered into with the Investment Manager.
- 1.17.2. Determines levels of remuneration for each member of the Board.
- 1.17.3. Determines levels of remuneration for any members of management or staff.

The committee meets as often as required and not less than once per year. Members of the Remuneration Committee do not participate when the level of their personal remuneration is considered.

Each Director should be remunerated fairly and responsibly. The remuneration paid to each Director should take into account the individual's level of skills and experience. The level of responsibility and endeavor associated with additional roles (such as participation on board committees) should be rewarded appropriately. The amount payable to Non-Executive Directors is limited to a maximum of US\$100,000 each per annum. Directors' fees are not dependent on attendance at meetings. The Executive Directors are not remunerated for their role as Directors. The Company does not currently employ any members of management or staff.

2. COMPLIANCE WITH THE KING CODE BY PALLINGHURST

The King III principles are or will be applied as follows:

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
CHAPTER 1: ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP			
1.1	The board should provide effective leadership on an ethical foundation.	Applied.	The Board take responsibility for determining the Group's strategic direction and providing oversight of corporate governance. The Board are focused on ethics and in particular will ensure that appropriate standards of governance and ethics are in place at a potential investee as part of the diligence process carried out prior to an acquisition. The Board also monitor the performance of Pallinghurst's investments on an ongoing basis, including the handling of ethical and governance issues.
1.2	The board should ensure that Pallinghurst is and is seen to be a responsible corporate citizen.	Applied.	The Group's purpose is to hold investments and Pallinghurst does not have a significant direct impact on the natural environment in which it operates. Responsibility for sustainable development for each investee rests with the respective boards of directors of those investees. The Board takes an active role in ensuring that Pallinghurst's investees act responsibly. Detailed information on sustainable development for each of the Group's investees is publicly available.
1.3	The board should ensure that Pallinghurst's ethics are managed effectively.	Applied.	The Board take responsibility for the Group's ethical foundation. The Group does not currently have any employees so there is no dissemination of this foundation to employees. The Board ensure that an appropriate ethical foundation is in place at the Group's portfolio companies. The Group utilises Vistra Guernsey Fund Services Limited, a subsidiary of Vistra Group Limited (together " Vistra Guernsey "), as the Group's administrator. Vistra is a key service provider. The Board also review the ethical foundations in place at Vistra Guernsey.
CHAPTER 2: BOARD AND DIRECTORS			
2.1	The board should act as a focal point for and custodian of corporate governance.	Applied.	The Board take responsibility for ensuring the integrity and the effectiveness of the Group's governance processes and for determining policies and processes to ensure the integrity of the Group's risk management and internal controls. The Group does not have any employees so there is no dissemination of corporate governance principles by the Board to employees or equivalent.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	Applied.	The Board believe that strategy, risk, performance and sustainability are inseparable. This principle is particularly relevant to the Group's investments and the Board strive to ensure that this principle is reflected at each investee. This principle should be evidenced in particular in the external reporting from each investee.
2.3	The board should provide effective leadership based on an ethical foundation.	Applied.	The Board are responsible for determining the Group's strategic direction and providing oversight of corporate governance. The Board are focused on ethics and in particular ensures that Pallinghurst's investees are managed responsibly and that any investee has appropriate standards of governance and ethics before committing to any decision to invest. The Group takes an active role in ensuring that its portfolio companies act in a responsible manner.
2.4	The board should ensure that Pallinghurst is and is	Applied.	The Board are responsible for determining the Group's strategic direction and providing oversight of corporate

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
	seen to be a responsible corporate citizen.		governance. The Board are focused on ethics and in particular ensures that Pallinghurst's investees are managed responsibly and that any investee has appropriate standards of governance and ethics before committing to any decision to invest. The Group takes an active role in ensuring that its portfolio companies act in a responsible manner.
2.5	The board should ensure that Pallinghurst's ethics are managed effectively.	Applied.	The Board are responsible for determining the Group's strategic direction and providing oversight of corporate governance. The Board are focused on ethics and in particular ensures that Pallinghurst's investees are managed responsibly and that any investee has appropriate standards of governance and ethics before committing to any decision to invest. The Group takes an active role in ensuring that its portfolio companies act in a responsible manner.
2.6	The board should ensure that Pallinghurst has an effective and independent audit committee.	Applied.	The Group's Audit Committee assists the Board in discharging its responsibilities. The Audit Committee entirely consists of independent non-executive Directors who each have significant, relevant experience. The Board monitors the performance of the Audit Committee on an ongoing basis and ensures that it is effective and independent.
2.7	The board should be responsible for the governance of risk.	Applied.	The Board take responsibility for the Group's governance. The Group has no employees and the Board is fully responsible for this aspect of the business. The Board monitor the Risk Assessment Programme on an ongoing basis. The Board determines what action to take to mitigate each risk and is responsible for ensuring their implementation. The Board also consider the impact of infrequent, unlikely, but high impact events/risks and their inclusion on the Group's Risk Register.
2.8	The board should be responsible for technology governance.	Explained.	The Board are collectively responsible for IT governance. As the Group holds investments it does not directly own any IT assets. The Group utilises Vistra Guernsey as administrator. Vistra Guernsey have a formal programme of IT risk management and a Chief Information Officer, who manages IT risk at Vistra Guernsey. The Board do not believe it would be appropriate for Pallinghurst to appoint a Chief Information Officer.
2.9	The board should ensure that Pallinghurst complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Applied.	The Company Secretary informs the Board of any relevant issues on a timely basis. The Company Secretary also presents the Board with a governance update at each scheduled meeting; the update includes operational issues, the UK Bribery Act, the Guernsey Code of Corporate and the Alternative Investment Fund Managers' Directive as standing items. The Company Secretary also considers other non-binding codes, rules and standards, assesses the impact and recommends a suitable course of action to the Board. The Board takes responsibility for deciding whether to follow the recommendations of the Company Secretary and for ensuring compliance with applicable laws. The Group's investees must also comply with relevant legislation and consider adherence to non-mandatory codes and equivalent. The Board monitors these requirements on an ongoing basis.
2.10	The board should ensure that there is an effective risk-based internal audit.	Applied.	The Group utilises Vistra Guernsey as administrator. One of Vistra Guernsey's key duties is the provision of the Company's accounting function. The Board believe that it

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
			would not be appropriate for the Group to appoint its own internal audit function. Vistra Guernsey is regulated by the GFSC and is required to maintain a robust systems and controls environment and to maintain separate Risk and Compliance functions. This environment is reviewed by Vistra Guernsey's auditor as part of the annual audit process. In addition, Vistra Guernsey has engaged their auditor to produce a report on internal controls in accordance with International Standard of Assurance Engagements ("ISAE") 3402 Assurance Reports on Controls at a Service Organisation. The most recent report is dated 9 February 2016 and reports on the internal controls in place at 31 October 2015. The report concluded that Vistra Guernsey had designed suitable control procedures in place in order to meet its control objectives. The Board are satisfied that Vistra Guernsey's internal controls are adequate and fit for purpose.
2.11	The board should appreciate that stakeholders' perceptions affect Pallinghurst's reputation.	Applied.	The Board recognise that the perceptions of stakeholders could affect Pallinghurst's reputation. The Board believe that the best way to manage stakeholder perceptions is via effective, regular communication. Pallinghurst's shareholders are a key stakeholder. The Board regularly communicates with its shareholders regarding the Group's financial performance and strategy, via the SENS. and via the website. The Board communicates with other stakeholders as appropriate.
2.12	The board should ensure the integrity of Pallinghurst's integrated report.	Applied.	The Board, assisted by the Audit Committee, takes responsibility for the Group's external reporting and ensures that it fairly represents the performance of the Group.
2.13	The board should report on the effectiveness of Pallinghurst's system of internal controls.	Explained.	The Group has not appointed its own internal audit function. See response to principle 2.10.
2.14	The board and its directors should act in the best interests of Pallinghurst.	Applied.	<p>The Board and its Directors act in the best interests of Pallinghurst at all times. Various policies/procedures that help to regulate the conduct of Pallinghurst's Directors are relevant, including the following:</p> <p>Each Director declares any relevant interests at the start of each Board or Committee meeting.</p> <p>Any potential conflicts of interest are disclosed by the relevant individual to the Board and the relevant individual abstains from voting on any related matters.</p> <p>The Directors each adhere to the policy regarding transactions in Pallinghurst shares.</p> <p>The Directors are each able to take any legal advice that they deem necessary, paid for by Pallinghurst (i.e. on an individual basis).</p>
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as Pallinghurst is financially distressed as defined in the Act.	Applied.	The Board reviews the Group's cash position and going concern status on a regular basis. The Board are aware of their responsibilities to shareholders if the Group was suffering financial distress and would take appropriate measures promptly in such circumstances.
2.16	The board should elect a chairman of the board who is an independent, non-executive director. The	Applied.	The Chairman is an Executive Director, meaning the Company's practice does not comply with King III. The other members of the Board believe that the Chairman's wealth of knowledge and experience mean that he is best

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
	CEO of Pallinghurst should not also fulfil the role of chairman of the board.		placed to provide overall leadership to the Board. Furthermore, the Directors believe that it would not be appropriate for the Group to be led by a Non-Executive Director, given that the Group's primary role is to act as an investment holding company. Mr Platt-Ransom acts as the Lead Independent Director ("LID"). The LID's main responsibilities are to chair any meeting in which the Chairman has a conflict of interest and to give stakeholders an additional point of contact. The roles of Chief Executive and Chairman are separate.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority.	Applied.	Mr Frandsen acts as Chief Executive. The Group acts as an investment holding structure, it does not have employees and therefore all authority rests with the Board. The Board has delegated specific responsibilities to the Audit Committee, Remuneration Committee and Nomination Committee.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority non-executive directors should be independent.	Applied.	The Board's make up has been four Independent Non-Executive Directors, one Non-Executive Director and three Executive Directors since 29 October 2015. Mr Lumkile Mondli was appointed as an independent non-executive director on 29 October 2015. A majority of Non-Executive Directors are independent.
2.19	Directors should be appointed through a formal process. Section 3.84(a) and (e) of the JSE Listings Requirements	Applied.	The Nomination Committee assists the Board in considering new board appointments as and when the need arises. A formal process exists to appoint new Directors. The Nomination Committee recommend any new appointments to the Board, considering the level of skills and experience of the nominee, ensuring that the nominee will be able to devote enough time to the Group's affairs and ensuring that the Board's collective skills and experience will remain appropriate. The Board would then collectively agree on any new appointment.
2.20	The induction of an ongoing training and development of directors should be conducted through formal processes.	Applied.	All new Directors undergo a formal induction programme. The programme is tailored for the individual director; in broad terms, the programme would set out the Directors' responsibilities and educate the individual on the Group and its investments.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary. Section 3.84(i) and (j) of the JSE Listings Requirements	Applied.	Vistra Guernsey acts as Pallinghurst's Company Secretary, rather than a specific individual. Vistra Legis employs a number of individuals with expertise in different areas who are able to assist the Board as necessary, with experience in areas including corporate governance, directors' fiduciary responsibilities, compliance and private equity fund structures. Given the nature of the legal issues that face the Group, the Board believe they are better-served by having access to a broader range of advice via Vistra Legis than employing an individual as company secretary. The Board also engage external legal counsel and other advisors as necessary.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	Applied.	The performance of each member of the Board is monitored on an ongoing basis. The performance of the Board's committees is assessed on an annual basis. Evaluation processes are not performed solely on an annual basis. The Chairman is responsible for the assessment of the performance of each Director and committee.
2.23	The board should delegate certain functions to well-	Applied.	The Board has delegated certain responsibilities to an Audit Committee, a Remuneration Committee and a Nomination

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
	structured committees but without abdicating its own responsibilities. Section 3.84(d) of the JSE Listings Requirements		Committee. Each committee has formal terms of reference which set out the membership, authority and responsibilities of each committee. The chairman of each committee reports back to the board after each meeting. The Board ensures that each committee is well-structured and has a suitable level of authority, whilst retaining overall responsibility for the Group's governance.
2.24	A governance framework should be agreed between the Group and its subsidiary boards.	Applied.	The Group ensures that all subsidiaries within the Group follow the same governance framework in a consistent manner.
2.25	Companies should remunerate directors and executives fairly and responsibly.	Applied.	The Remuneration Committee consists of Mr Harris, Mr Platt-Ransom and Mr Tolcher. The Remuneration Committee determines the levels of remuneration for each member of the Company's Board. The Non-Executive Directors each received US\$30,000 for acting as Director during 2015; certain other fees may be payable for membership of committees or other duties. Members of the Remuneration Committee do not participate when the level of their personal remuneration is considered. The Executive Directors are not currently remunerated for their role as Directors. The Group does not currently have any employees although the Remuneration Committee's remit includes consideration of the remuneration of any individuals that may be employed in the future. The Remuneration Committee's remit includes the monitoring of amounts paid to the Investment Manager, the terms of this relationship have not changed during the year.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	Applied.	The remuneration payable to each individual director is disclosed in the financial statements. The Group does not have any employees.
2.27	Shareholders should approve Pallinghurst's remuneration policy.	Applied.	Shareholders will be asked to approve the Group's remuneration policy at the forthcoming AGM.
CHAPTER 3: AUDIT COMMITTEE			
3.1	The board should ensure that Pallinghurst has an effective and independent audit committee. Section 3.84(d) of the JSE Listings Requirements	Applied.	The Group's Audit Committee consists of Mr Harris, Mr Platt-Ransom and Mr Tolcher, each of whom is an independent Non-Executive Director. The Audit Committee has clear terms of reference which set its agenda and focus. These terms are approved by the Board on at least an annual basis. The Audit Committee may meet without any of the Executive Directors being present. The Committee may meet with Saffery, either formally or informally, throughout the year; the audit partner has access to the Committee through the Chair. The Audit Committee met twice during 2015.
3.2	Audit committee members should be suitably skilled, experienced and independent, non-executive directors.	Applied.	The Audit Committee members have suitable levels skills and experience. The performance of the members of the Audit Committee is evaluated on an annual basis by the Board.
3.3	The audit committee should be chaired by an independent, non-executive director.	Applied.	The Audit Committee is chaired by Mr Tolcher, an Independent Non-Executive Director.

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
3.4	The audit committee should oversee integrated reporting.	Applied.	The Board, assisted by the Audit Committee, takes responsibility for the Group's external reporting and ensures that it fairly represents the performance of the Group.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities.	Applied.	The Group utilises Vistra Guernsey as administrator. One of Vistra Guernsey's key duties is the provision of the Company's accounting function. The Board believe that it would not be appropriate for the Group to appoint its own internal audit function. The Audit Committee is responsible for overseeing the external audit process.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of Pallinghurst's finance function.	Applied.	The Audit Committee annually reviews the appropriateness of the expertise and adequacy of the resources of the finance function. The Audit Committee also assesses the Finance Director.
3.7	The audit committee should oversee the internal audit function.	Explained.	The Group does not have a separate internal audit function.
3.8	The audit committee should be an integral component of the risk management process.	Applied.	The Board has delegated monitoring of the Group's risk management process to the Audit Committee and the Audit Committee monitors risk on an ongoing basis. The ultimate responsibility for risk management lies with the Board.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	Applied.	The Audit Committee recommends the appointment of the external auditor to shareholders on an annual basis at the AGM. The Audit Committee is responsible for overseeing the external audit process and reports to the Board.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties.	Applied.	The Audit Committee reports to the Board on an ongoing basis and reports formally on how it has discharged its duties. The Audit Committee Report is included in the Group's Annual Report and summarises the Committee's duties during the year.

CHAPTER 4: THE GOVERNANCE OF RISK

4.1	The board should be responsible for the governance of risk.	Applied.	The Board takes full responsibility for all aspects of the governance of risk. The Board monitor the Risk Assessment Programme on an ongoing basis and determine what action to take (if any) to mitigate each risk and is responsible for ensuring that any such actions are implemented. The Board also consider how best to anticipate infrequent, unlikely, but high impact events/risks. The Audit Committee help the Board to monitor the Risk Assessment Programme.
4.2	The board should determine the levels of risk tolerance.	Applied.	The Board takes full responsibility for all aspects of the governance of risk.
4.3	The risk or audit committee should assist the board in carrying out its risk responsibilities.	Applied.	The Board takes full responsibility for all aspects of the governance of risk. The Audit Committee help the Board to monitor the Risk Assessment Programme.
4.4	The board should delegate to management the responsibility to design,	Explained.	The Board takes full responsibility for all aspects of the governance of risk. Pallinghurst does not have any employees.

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
	implement and monitor the risk management plan.		
4.5	The board should ensure that risk assessments are performed on a continual basis.	Applied.	The Board carries out risk assessment on a continual basis.
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	Applied.	The Board takes full responsibility for all aspects of the governance of risk.
4.7	The board should ensure that management considers and implements appropriate risk responses.	Applied.	The Board takes full responsibility for all aspects of the governance of risk and ensures that risk responses are implemented. Pallinghurst does not have any employees.
4.8	The board should ensure continual risk monitoring by management.	Applied.	The Board takes full responsibility for all aspects of the governance of risk an monitoring. Pallinghurst does not have any employees.
4.9	The board should receive assurance regarding the effectiveness of the risk management process.	Explained.	The Board are responsible for the Group's governance of risk. No aspects of risk governance have been delegated as the Group has no employees.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Applied.	The Group's principal risks and uncertainties are disclosed in the Group's annual financial reporting. Any material changes are articulated in the Group's interim financial reporting. The Group also communicates material information/updates to its shareholders via SENS.

CHAPTER 5: THE GOVERNANCE OF INFORMATION TECHNOLOGY

5.1	The board should be responsible for information technology governance.	Applied.	The Board are collectively responsible for IT governance. Pallinghurst does not hold any IT assets; the Group acts as an investment holding company. The Group utilises Vistra Guernsey as administrator. Vistra Guernsey has a formal programme of IT risk management and a Chief Information Officer, who manages IT risk at Vistra Guernsey. The ISAE Report on Vistra Guernsey's internal controls includes information systems within its scope; no control issues have been identified in this area. Accordingly, the Board do not believe it would be appropriate to appoint a Chief Information Officer.
5.2	IT should be aligned with the performance and sustainability objectives of Pallinghurst.	Explained.	Pallinghurst does not hold any IT assets; the Group acts as an investment holding company.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	Explained.	Pallinghurst does not hold any IT assets; the Group acts as an investment holding company.
5.4	The board should monitor and evaluate significant IT investments and expenditure.	Explained.	Pallinghurst does not hold any IT assets; the Group acts as an investment holding company.

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
5.5	IT should form an integral part of Pallinghurst's risk management.	Explained.	Pallinghurst does not hold any IT assets; the Group acts as an investment holding company.
5.6	The board should ensure that information assets are managed effectively.	Explained.	Pallinghurst does not hold any IT assets; the Group acts as an investment holding company.
5.7	The risk and audit committees should assist the board in carrying out its IT responsibilities.	Explained.	Pallinghurst does not hold any IT assets; the Group acts as an investment holding company.

CHAPTER 6: COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

6.1	The board should ensure that Pallinghurst complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Applied.	The Company Secretary presents the Board with a governance update at each scheduled meeting; the update includes operational issues, the UK Bribery Act, the Guernsey Code of Corporate and the Alternative Investment Fund Managers' Directive as standing items. The Company Secretary also considers other non-binding codes, rules and standards, assesses the impact and recommends a suitable course of action to the Board. The Board takes responsibility for deciding whether to follow the recommendations of the Company Secretary and for ensuring compliance with applicable laws.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on Pallinghurst and its business.	Applied.	Each Director has an understanding of the laws and standards applicable to Pallinghurst. The Board receives an update on these issues at each scheduled meeting.
6.3	Compliance risk should form an integral part of Pallinghurst's risk management process.	Applied.	Compliance risk is integral to Pallinghurst's Risk Assessment Programme and is monitored on an ongoing basis.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	Explained.	The Board is responsible for the implementation of the Group's compliance framework. The Group has no employees.

CHAPTER 7: INTERNAL AUDIT

7.1	The board should ensure that there is an effective risk-based internal audit function.	Explained.	The Group utilises Vistra Guernsey as administrator. One of Vistra Guernsey's key duties is the provision of the Company's accounting function. The Board believe that it would not be appropriate for the Group to appoint its own internal audit function. Vistra Guernsey is regulated by the GFSC and is required to maintain a robust systems and controls environment and to maintain separate Risk and Compliance functions. This environment is reviewed by Vistra Guernsey's auditor as part of the annual audit process. In addition, Vistra Guernsey has engaged their auditor to produce a report on internal controls in accordance with International Standard of Assurance Engagements ("ISAE") 3402 Assurance Reports on Controls at a Service Organisation. The most recent report is dated 9 February 2016 and reports on the internal controls in place at 31 October 2015 (the "ISAE Report"). The ISAE Report concluded that Vistra Guernsey
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<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
			had designed suitable control procedures in place in order to meet its control objectives.
7.2	Internal audit should follow a risk-based approach to its plan.	Explained.	The Group does not have an internal audit function.
7.3	Internal audit should provide a written assessment of the effectiveness of Pallinghurst's system of internal control and risk management.	Explained.	The Group does not have an internal audit function.
7.4	The audit committee should be responsible for overseeing internal audit.	Explained.	The Group does not have an internal audit function.
7.5	Internal audit should be strategically positioned to achieve its objectives.	Explained.	The Group does not have an internal audit function.

CHAPTER 8: GOVERNING STAKEHOLDER RELATIONSHIPS

8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation.	Applied.	The Board recognise that the perceptions of stakeholders could affect Pallinghurst's reputation. The Board believe that the best way to manage stakeholder perceptions is via effective, regular communication. The Board regularly communicates with its shareholders regarding the Group's financial performance and strategy, via SENS and via the website. The Board communicates with other stakeholders as appropriate.
8.2	The board should delegate to management to proactively deal with stakeholder relationships.	Explained.	The Group does not have any employees. The Board therefore takes responsibility for managing key stakeholder relationships directly, in particular relationships with shareholders.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of Pallinghurst.	Applied.	The Board takes responsibility for managing key stakeholder relationships directly, in particular relationships with shareholders.
8.4	Companies should ensure the equitable treatment of shareholders.	Applied.	Pallinghurst has only one class of shares in issue. All shareholders are treated equitably. No shareholder is able to influence the Board by virtue of the size of their shareholding.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Applied.	The Board attempt to provide complete, relevant, accurate, timely and useful information to stakeholders at all times. Pallinghurst releases information on SENS on a timely basis to keep JSE shareholders and other stakeholders up to date with pertinent information. Pallinghurst also arranges for the release of certain information on the BSX website for BSX shareholders, as appropriate. Pallinghurst's website, also includes relevant, pertinent information.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	Applied.	The Board acts to ensure that any disputes are resolved on a timely basis. Mr Platt-Ransom is Pallinghurst's LID and acts as an additional point of contact for stakeholders (i.e. as well as the Group's Executive Directors).

<u>Principle</u>	<u>Description</u>	<u>Applied/ Explained</u>	<u>Compliance Status</u>
CHAPTER 9: INTEGRATED REPORTING AND DISCLOSURE			
9.1	The board should ensure the integrity of Pallinghurst's integrated report.	Applied.	The Board, assisted by the Audit Committee, takes responsibility for the Group's external reporting and ensures that it fairly represents the performance of the Group.
9.2	Sustainability reporting and disclosures should be integrated with Pallinghurst's financial reporting.	Applied.	The Board recognises the importance of sustainable development. As an investment holding group, the Group does not have a significant direct impact on the natural environment in which it operates. Key responsibilities for sustainable development are largely retained by the Group's investments. Detailed information on sustainable development for each of the Group's investee companies is publicly available.
9.3	Sustainability reporting and disclosure should be independently assured.	Applied.	Key responsibilities for sustainability reporting are largely retained by the Group's investments. Detailed sustainability reporting for these investments can be obtained from publicly available sources. The Board ensures that the sustainability reporting prepared by its investments is independently assured.

Pallinghurst Resources Limited

(an authorised closed-ended investment company incorporated under The Companies (Guernsey) Law 2008 and registered in Guernsey, with registered number 47656)

(Registered as an external company in South Africa under registration number 2009/012636/10 on 26 June 2009)

Share code on the BSX: PALLRES ISIN: GGOOB27Y8Z93

Share code on the JSE: PGL

(the “**Company**”)

NOTICE OF GENERAL MEETING

Notice is hereby given that that an extraordinary general meeting of shareholders of the Company will be held at The Old Government House, St Ann's Place, St Peter Port, Guernsey, GY1 2NU on Monday 26 June 2017 at 11a.m. (BST) (the “**General Meeting**”).

Shareholders are advised that meeting participants (including proxies) may be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the General Meeting. Forms of identification that will be accepted include a driver's licence or passport.

DATES AND VOTING

The Board has determined the following:

- those shareholders registered on the Company's shareholders' register at 11a.m. (BST) on Friday 26 May 2017 will receive notice of the General Meeting;
- those shareholders registered on the Company's shareholders' register at 11a.m. (BST) on Thursday 15 June 2017 will be eligible to participate and vote;
- in the event that the General Meeting is adjourned, those shareholders registered on the shareholders' register four full business days before the time of any adjourned meeting will be eligible to participate and vote; and
- voting will be by way of a poll and every shareholder, present in person or represented by proxy and entitled to vote, shall be entitled to one vote for every share held.

PROXIES

A shareholder is entitled to attend the General Meeting in person and vote or to appoint a proxy (or proxies) to attend and to speak and, on a poll, vote instead of him/her. A proxy need not be a shareholder. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. The appointment of a proxy will not prevent a shareholder from subsequently attending the General Meeting and voting in person.

To be effective, a Form of Proxy, and any power of attorney or other authority under which it is signed (or a certified or notarised copy of any such authority) must be completed, signed and either lodged, not less than two business days before the time for holding the meeting or adjourned meeting, at the following address:

Computershare Investor Services (Pty) Limited
Rosebank Towers
15 Bierman Avenue
Rosebank
Johannesburg, 2196
South Africa
(PO Box 61051, Marshalltown, 2107 South Africa)

OR lodged, not less than two business days before the time for holding the meeting or adjourned meeting, at the following address:

PO Box 91,
11 New Street,
St Peter Port,
Guernsey, GY1 3EG,
Channel Islands,

OR

faxed not less than two business days before the time for holding the meeting or adjourned meeting to +44 1481 712167.

OR emailed not less than two business days before the time for holding the meeting or adjourned meeting to fund.enquiries.gg@vistra.com.

Forms of Proxy submitted for the original meeting will remain valid for any adjourned meeting.

If you do not intend to attend the General Meeting please complete and return the Form of Proxy as soon as possible.

AGENDA

SPECIAL RESOLUTION

It is hereby resolved that:

- in accordance with the JSE Listings Requirements, the Pallinghurst Share Plan be and is hereby sanctioned, approved and authorised;
- the Proposed Extension is approved;
- the Articles be amended as set out in the amended version of the Articles attached as Appendix A to this Notice of General Meeting, which amendments are reflected in colour and reflect the Proposed Extension and the amendments required to align the Articles of Incorporation with the proposed new management structure of the Company;
- in accordance with the JSE Listings Requirements, the Company be and is hereby authorised, by way of a general authority, to acquire up to 152,090,526 Ordinary Shares in the issued share capital of the Company from time to time; and
- the amount payable as non-executive Directors' fees be increased to a maximum of US\$100,000 each per annum, effective from the date of this General Meeting;

in each case as more fully described in the Circular to which this Notice of General Meeting is attached.

The Board of Directors of Pallinghurst be and is hereby authorised to take all such steps, do all such things and execute all such forms and documentations as may be necessary, required and/or incidental to the implementation of this Special Resolution.

For this Special Resolution to be passed, it must be supported by not less than 75% of the votes cast.

The reasons and effects of this Special Resolution are to collectively (i) approve and adopt the Pallinghurst Share Plan; (ii) approve the Proposed Extension, (iii) approve and adopt the amendments required to be made to the Articles of Incorporation in light of the proposed new management structure of the Company; (iv) grant Pallinghurst the general authority to repurchase Ordinary Shares in the total issued share capital of Pallinghurst; and (v) approve the increase of the fees payable to non-executive Directors (each of which as more fully described in the Circular to which this Notice of General Meeting is attached).

The passing of this Special Resolution is not subject to or conditional upon the passing of the Ordinary Resolution set out below.

ORDINARY RESOLUTION

It is hereby resolved that the Offer to be made by or on behalf of Pallinghurst to acquire the total issued and to be issued share capital of Gemfields not already owned by Pallinghurst be and is hereby approved.

The Board of Directors of Pallinghurst be and is hereby authorised to take all such steps, do all such things and execute all such forms and documentations as may be necessary, required and/or incidental to the implementation of this Ordinary Resolution, including, for the avoidance of doubt, the allotment and issuance of the New Pallinghurst Ordinary Shares in terms of the Offer.

For this Ordinary Resolution to be passed, it must be supported by more than 50% of the votes cast.

The reason and effect of this Ordinary Resolution is to give effect to the Offer (as more fully contemplated in the Circular to which this Notice of General Meeting is attached).

The passing of this Ordinary Resolution is not subject to or conditional upon the passing of the Special Resolution set out above.

By Vistra Fund Services (Guernsey) Limited

11 New Street
St Peter Port
Guernsey
GY1 2PF
Channel Islands

As Company Secretary

2 June 2017

Notes:

A Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote and speak instead of him. If more than one proxy is appointed, each proxy must exercise the rights attaching to different shares held by the Shareholder. A proxy need not also be a Shareholder.

A Form of Proxy is included for shareholders to complete, sign and return. Completion and return of the Form of Proxy will not prevent a shareholder from subsequently attending the meeting (or any adjournments) and voting in person if he/she so wishes.

Please indicate with an "X" in the appropriate box on the Form of Proxy how you wish your vote to be cast in respect of the Resolution. If you do not insert an "X" in the appropriate box your proxy will vote or abstain at his discretion.

If it is desired to appoint some other person or persons as proxy or proxies the name(s) of the proxy or proxies desired must be inserted in the space provided and the alteration should be initialled.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of their attorney duly authorised in writing or if the appointor is a corporation either under seal or under the hand of an officer or attorney duly authorised.

Any corporation which is a Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of shareholder of the Company and the person so authorised shall be entitled to exercise on behalf of the corporation which they represent the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Shareholder of the Company.

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the offices of Computershare Investor Services Proprietary Limited not less than two Business Days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 48 hours before the time appointed for the taking of a poll and in default unless the Board directs otherwise the instrument of proxy shall not be treated as valid.

No shareholder will be entitled to be present or vote at the meeting (or any adjournment) either personally or by proxy unless their name appears on the register of members of the Company as at 11am (BST) (12pm (SAST)) on Thursday, 15 June 2017. Changes to the entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting (or any adjournments).

Appendix A
Amended Articles of Incorporation
MOURANT OZANNES

**INCORPORATED UNDER THE COMPANIES (GUERNSEY) LAW, 1994 AS AMENDED
ORGANISED UNDER THE COMPANIES (GUERNSEY) LAW, 2008 AS AMENDED**
COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF INCORPORATION
of
PALLINGHURST RESOURCES LIMITED

Registered this day 4 September 2007

~~(Memorandum of Incorporation as amended by special resolution passed on 5 August 2015)~~
~~(Articles of Incorporation as adopted by special resolution passed on 5 August 2015)~~

**INCORPORATED UNDER THE COMPANIES (GUERNSEY) LAW, 1994 AS AMENDED
ORGANISED UNDER THE COMPANIES (GUERNSEY) LAW, 2008 AS AMENDED**

COMPANY LIMITED BY SHARES

MEMORANDUM OF INCORPORATION

of

PALLINGHURST RESOURCES LIMITED

Unless otherwise defined in this Memorandum of Incorporation, capitalised terms used in the Memorandum of Incorporation shall bear the meaning ascribed to them in the Company's Articles of Incorporation.

1. The name of the Company is PALLINGHURST RESOURCES LIMITED.
2. The registered office of the Company is situated in Guernsey.
3. The Company is a non-cellular company.
4. The liability of each Investor is limited to the amount (if any) for the time being unpaid on the shares held by him.
5. The objects and powers of the Company are not restricted.

THE COMPANIES (GUERNSEY) LAW, 2008

COMPANY LIMITED BY SHARES

ARTICLES OF INCORPORATION

of

PALLINGHURST RESOURCES LIMITED

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THE COMPANIES (GUERNSEY) LAW, 2008

COMPANY LIMITED BY SHARES

ARTICLES OF INCORPORATION

of

PALLINGHURST RESOURCES LIMITED

1. STANDARD ARTICLES

The standard Articles prescribed pursuant to section 16(2) of the Law shall be excluded in their entirety.

2. INTERPRETATION

In these Articles the following words shall bear the following meanings if not inconsistent with the subject or context:

Words	Meanings
Accounting Date	31 December each year or the date on which the Company is wound up.
Accounting Period	A period commencing on the day following the preceding Accounting Date and ending on and including the next Accounting Date.
Administrator	Such administrator of international repute as may be selected by the Directors to be administrator of the Company from time to time.
Aggregate Proceeds	means the aggregate cash proceeds received by the Company from the Realisation of Investments (net of any Disposal Costs) and all income less expenses, losses of or other charges against the Company that do not arise from the Realisation of Investments plus any of the Company's Funds not used for Investments or set aside to fund the Company's Expenses during the Investment Term.
Approved Investment	The <u>means the</u> acquisition of a minimum of 20% of the ordinary shares <u>and other interests</u> in Fabergé Limited, being an unconditional investment opportunity that has been identified, sourced and recommended by the Investment Manager to the Directors for investment.
Articles	These Articles of Incorporation as now framed and at any time altered.

Associate	<p>With respect to any specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified. For the purposes of this definition, the term "control" and the consequences thereof, means:</p> <ul style="list-style-type: none"> (a) the direct or indirect ownership of in excess of 50% of the equity interests (or interests convertible into or otherwise exchangeable for equity interests) in a Person7.1 or (b) the possession of the direct or indirect right to vote in excess of 50% of the voting interest or to elect in excess of 50% of the board of directors or other governing body of a Person (whether by equity ownership, contract or otherwise).
at any time	At any time or times and includes for the time being and from time to time.
Auditors	Such auditors of international repute as may be selected by the Directors to be the auditors of the Company.
Board	The board of Directors of the Company.
Business Day	Any day other than a Saturday, Sunday or public holiday on which banks are normally open for the conduct of ordinary non-automated business in London and Guernsey.
Cause	<p>means:</p> <ul style="list-style-type: none"> (a) fraud; or (b) wilful misconduct; or (c) gross negligence; or (d) bad faith; or (e) reckless disregard for a person's obligations and duties, <p>which in each case, has a material effect on the Company and/or its Investors7.1.</p>
clear days	In relation to the period of notice means that period excluding the day when notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
Company	Pallinghurst Resources Limited .
Company's Funds	The aggregate amounts received by the Company from Investors on any capital raisings.
Directors or the Directors	The Directors at any time or the Directors present at a duly convened meeting of Directors at which a quorum is present.
Disposal Cost	The aggregate amount of all duties (including, without limitation, stamp duties), fees, costs and expenses (including, for the avoidance of doubt, travel expenses) or, if investing together with any strategic equity partners, the Company's pro rata share of such duties, fees, costs and expenses, incurred in the Realisation (or part Realisation) of an Investment.

Distribution	Distributions in cash or distributions in specie of any securities to Investors (and "Distribution" and "Distributed" shall be construed accordingly-) <u>and otherwise in accordance with the Law.</u>
Fair Market Value per Share	The fair market value per Ordinary Share as estimated by the Directors and audited by the Auditors (or the Liquidator on a winding up) as the case may be taking into account the calculation of the Performance Incentive.
Hurdle	means an amount of 8% per annum (compounded annually on the Accounting Date each year) on the net amount of Company's Funds still retained by the Company (including any amounts already compounded) and calculated on a daily basis.
Independent Valuer(s)	Such independent valuer(s) of international repute as may be appointed by the Directors to be the independent valuer of the Company's Investments, currently being KPMG LLP.
Initial Closing Date	14 September 2007.
Investment	Any investment, asset or other interest acquired by the Company falling within the Investment Scope, including the Approved Investment (whether for consideration in cash or securities or assets or existing Investments or otherwise) including but not limited to shares, debentures, loan stock or other securities of and loans (whether secured or unsecured) made to any body corporate or other entity.
Investment Management Agreement	The agreement, as amended from time to time, between the Company and the Investment Manager, appointing the Investment Manager to act in the capacity of investment manager to the Company.
Investment Manager	Pallinghurst (Cayman) GP LP, an exempted limited partnership registered in the Cayman Islands.
Investment Period	the period commencing on the Initial Closing Date and ending on 14 September 2012
Investment Policy	The investment policy of the Company as set out in Annexure A hereto.
Investment Scope	The investment scope of the Company as set out in Annexure A hereto.
Investment Term	The period commencing on the Initial Closing Date and ending on the Termination Date.
Investment Vehicle	A body corporate or other entity in which the Company holds, directly or indirectly, together with any strategic equity partners on a case-by-case basis, an Investment.
Investor	A person who is a registered holder of shares <u>Ordinary Shares</u> in the Company.
Issuer Services Division of the JSE	means the division of the JSE which is tasked with the listings function of the JSE.
JSE	means Johannesburg Securities Exchange, JSE Limited, Registration number 2005/022939/06, a company duly registered and incorporated with limited liability under the

Company laws of the Republic of South Africa and licensed as an exchange under the Financial Markets Act, No 19 of 2012.

JSE listing requirements

means the listing authority requirements from time to time for companies listed on the JSE.

Key Executives

means the individuals appointed by the Company from time to time pursuant to the various Service Agreements, to provide investment management and advisory services to the Company and/or its Associates in relation to Investments falling within the Investment Scope, as well as the Approved Investment.

Law

The Companies (Guernsey) Law, 2008 as amended, extended or replaced and any ~~Ordinance~~ordinance, statutory instrument or regulation made thereunder and references to sections thereof shall refer to such sections as amended or renumbered from time to time.

Liquidator

Includes joint Liquidators.

Management Share

A non-redeemable management share with a par value of USD 1.00 each in the share capital of the Company having the rights described in these Articles.

Memorandum

The Memorandum of Incorporation of the Company as amended or replaced from time to time.

~~Net Asset~~Market Value per Share

The ~~net asset value of the Company determined in accordance with the principles set out in Article 45.~~30-day VWAP per Ordinary Share.

Net Asset Value

The net asset value of the Company as estimated by the Directors and audited by the Auditors (or the Liquidator on a winding up, as the case be).

Office

The registered office at any time of the Company.

Ordinary Resolution

A resolution taken in accordance with the Articles, passed by a simple majority of Investors, present or by proxy, at the meeting, convened with the proper notice of the meeting having been provided to the Investors.

Ordinary Share

An ordinary share in the capital of the Company with a par value of USD 0.00001 each having the rights described in these Articles.

~~Performance Incentive~~

~~The benefit attributable to the Investment Manager or its Associate, as described in Annexure A hereto.~~

Person

Any individual, body corporate or corporation, limited liability company, partnership, limited partnership, limited liability partnership, trust or other legal entity.

Realisation

The occurrence of any of the following events in relation to an Investment:

- (a) the receipt of consideration and distribution in cash or the receipt of consideration and distribution *in specie* of any securities of a capital nature; or
- (b) the unconditional completion of an agreement for the sale of the whole, or any part, of an Investment (save that where the consideration for such sale is wholly

comprised of securities of a company or, where the consideration for such sale is comprised partly of securities of a company and partly of cash, in relation to that part of the consideration comprised of securities, there shall be no Realisation for the purposes of this sub-paragraph (b)); or

(c) the receipt of any deferred consideration (other than that of an income nature) or the release of a provision in either case arising from a previous Realisation of the whole, or any part, of an Investment; or

(d) the redemption of any securities of a company which is the subject of an Investment (other than any redemption of such securities which is made solely in connection with any other event constituting a Realisation); or

(e) the winding up or dissolution of any entity in which an Investment is held; or

~~(e)~~(f) the distribution in specie of any securities of a company which is the subject of an Investment,

and **Realised** shall be interpreted accordingly.

Redemption Date

The date of compulsory redemption of the Ordinary Shares, being the date 1 calendar month after the Termination Date, subject to all Investments having been liquidated and/or Distributed.

Register

The register of Investors to be kept pursuant to the Law.

Seal

The common seal of the Company.

Secretary

Any person appointed by the Directors to perform any of the duties of Secretary of the Company (including a temporary or assistant secretary) and in the event of two or more persons being appointed as joint secretaries any one or more of the persons so appointed.

SENS

means the Securities Exchange News Service, an office established by the JSE to disseminate relevant company information to the market.

Service Agreements

means the service agreements between the Company and each of the Key Executives which governs, among other things, the provision by the Key Executives of the investment management and advisory services to the Company in accordance with the Investment Policy.

shares

All shares of whatever description in the capital of the Company being either Ordinary Shares or Management Shares and having the rights described in these Articles.

Special Resolution

A resolution taken in accordance with the Articles, passed by a majority of not less than three quarters of the votes of the Investors, present or by proxy, at the meeting convened with the proper notice of the meeting having been provided to Investors.

Subsidiary

Has the meaning ascribed to it in section 531 of the Law.

Temporary Investments	means any Investment which is Realised, in whole or in part, within 12 months of its acquisition by the Company (and for these purposes the date of acquisition will be the date on which the Investment is legally or beneficially transferred and held for the account of the Company), which shall include, but shall not be limited to, Underwritten Investments (provided that the syndication of such Underwritten Investments occurs within 12 months of such Investment being made).
Termination Date	the 10 ⁶⁰ th anniversary of the Initial Closing Date; or the 11th anniversary of the Initial Closing Date; or the 12th anniversary of the Initial Closing Date, as the case may be, pursuant to the applicable resolution being passed by the requisite majority of Investors in general meeting as described in Article 9.
Trust	The Pallinguhurst (Guernsey) Charitable Trust.
unanimous resolution Unanimous Resolution	A resolution agreed to by every Investor of the Company in accordance with section 180 of the Law.
United States Dollars or USD	The lawful currency of the United States of America.
VWAP	<u>The volume weighted average price of Ordinary Shares traded on the JSE.</u>
waiver resolution Waiver Resolution	A resolution passed by a majority of not less than 90 per cent in accordance with section 179 of the Law.
ZAR or R	South African Rand being the lawful currency of the Republic of South Africa.

In these Articles unless there be something in the subject or context inconsistent with such construction:

- (a) words importing the singular number shall be deemed to include the plural number and vice versa;
- (b) words importing the masculine gender only, shall be deemed to include the feminine gender;
- (c) words importing persons shall include companies or associations or bodies of persons, whether corporate or not;
- (d) the words:—
 - (i) "may" shall be construed as permissive; and
 - (ii) "shall" shall be construed as imperative; and
- (e) words or expressions contained in these Articles shall bear the same meaning as in the Law and The Interpretation (Guernsey) Law 1948.

3. BUSINESS

Any branch or kind of business which, by the Memorandum or by these Articles, is, either expressly or impliedly, authorised to be undertaken may be undertaken or suspended at any time by the Directors whether commenced or not.

4. SHARES

4.1 Save as specifically provided in these Articles, the Ordinary Shares and the Management Shares shall rank *pari passu* in all respects.

4.2 The Company is authorised to issue an unlimited number of shares.

4.3 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to Article 5, Article 14.4 and the JSE listing requirements, any share (or option, warrant or other right in respect of a share) in the Company may be issued with such rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine. ~~To the extent required by sections 292 and 293 of the Law, the Board is authorised to issue an unlimited number of shares (or options, warrants or other rights in respect of shares) which authority shall expire five years after the date of adoption of these Articles; in the event that the restrictions in section 292(3)(a) and/or (b)(i) are amended or removed, such authority shall be to the extent and for as long as is legally permissible. This authority may be further extended in accordance with the provisions of the Law.~~

4.4 Notwithstanding any other provision in these Articles, the holders of Management Shares shall have the following rights:

- (a) Dividends : The holders of Management Shares shall have no rights to receive nor participate in any Distributions of the Company, subject to Article 4.4(b).
- (b) Winding up: Subject to Article 39, on a winding up and after payment of all the creditors of the Company, the payment, to the extent reasonably capable, of the ~~Fair Market~~Net Asset Value per Share of the Ordinary Shares less any cost associated with the Liquidation, the nominal value of the Management Shares shall be paid to the holders of the Management Shares.
- (c) Voting: The holders of the Management Shares will have the right to receive notice of and attend and vote at any general meeting of the Company only if there are no Ordinary Shares in issue. When such rights exist, each holder of a Management Share who is present in person or by proxy (or being a corporation, by a duly authorised representative) at a general meeting will have 10,000 votes in respect of each Management Share held by them.

4.5 The holders of Ordinary Shares shall have the following rights:

- (a) Dividends: The holders of Ordinary Shares are entitled to receive, and participate in, any Distributions and resolved to be distributed in respect of any Accounting Period or other income or right to participate therein.
- (b) Winding up: Subject to Article 39, on a winding up and after the payment of all creditors of the Company, the payment, to the extent reasonably capable, of the ~~Fair Market~~Net Asset Value per Share of the Ordinary Shares less any cost associated with the Liquidation and the nominal value of the Management Shares, the holders of Ordinary Shares shall be entitled to any surplus or to any shares associated with an Investment distributed in specie.
- (c) Voting: The holders of the Ordinary Shares will have the right to receive notice of and to attend and to vote at any general meeting of the Company. Each holder of an Ordinary Share who is present in person or by proxy (or being a corporation, by a duly authorised representative) at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person or by proxy (or being a corporation, by a duly authorised representative) will have one vote in respect of each Ordinary Share held by them.

~~Directors, who are executives/partners of the Investment Manager will be precluded from voting as Investors on any proposal in relation to the Investment Management Agreement, subsequent to the conclusion thereof by the Company~~

- 4.6 The Company may, subject to the JSE listing requirements, purchase any of its own shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.

5. ISSUE OF SHARES

- 5.1 Subject to the provisions of the Law, these Articles and the JSE listing requirements:

- (a) any shares may with the sanction of the Board be issued on terms that they are, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner as the Board may determine;
- (b) the Company and any of its Associates may give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company;
- (c) the Company may convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein;
- (d) subject to Article 6.2, the Company may issue shares of no par value or shares with a par value or a combination of both; and
- (e) ~~If~~ any fraction of a share is to be issued by the Company then the Board, may subject to compliance with the JSE listing requirements, to the extent applicable, round all allocations of shares down to the nearest whole number if they are less than 0.5, and up to the nearest whole number if they are equal to or greater than 0.5, resulting in allocations of whole shares and no fractional entitlements.

6. VARIATION OF CLASS RIGHTS

- 6.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class for the time being issued (unless otherwise provided by the terms of issue) may, subject to any JSE listing requirements, whether or not the Company is being wound up, be altered, abrogated or varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a ~~special resolution~~ Special Resolution of the holders of the shares of that class, provided that the rights attached to the Management Shares cannot be amended unless a Special Resolution is also passed by the holders of Ordinary Shares. To any separate general meeting of a class the provisions of these Articles relating to general meetings shall apply but so that the necessary quorum shall be at least three persons present in person or by proxy holding at least one-third of the issued shares of that class and that any holder of shares of that class present in person or by proxy may demand a poll.

- 6.2 Subject to the authority conferred by Article 4 and any renewal or extension thereof, the approval of the JSE (where necessary) and to the remainder of this Article, the authorised but un-issued shares shall be at the disposal of the Directors who may allot, grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as the Directors may determine; provided that ~~no~~ :-

- (a) Ordinary Shares shall only be issued at a discount ~~to the Fair Market Value per Share and all Ordinary Shares are offered to Investors and prospective Investors on the same terms and conditions~~ where such discount is consistent with, or permissible under, the JSE listing requirements; and

- ~~6.2~~ (b) that such shares are offered to the existing members pro rata to their shareholding unless:-

- (a) (i) otherwise empowered in a general meeting; or

~~(b)~~(ii) issued for the acquisition of assets or reduction of debt.

- 6.3 For the purposes of Article 6.1 above, where a person is present by proxy or proxies, he is treated as holding only the shares in respect of which the proxies are authorised to exercise voting rights.

7. COMMISSIONS

- 7.1 The Company may pay commission in money to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Ordinary Shares or procuring or agreeing to procure subscriptions whether absolute or conditional for any Ordinary Shares PROVIDED THAT the rate or amount of commission shall not exceed 10% of the issue price for the subscription of the shares in the Company and shall be fixed by the Directors and disclosed in accordance with the Law.

8. REDEMPTION OF SHARES

- 8.1 There is no entitlement in favour of Investors to have their Ordinary Shares redeemed by the Company. Redemptions are wholly at the discretion of the Directors. However, subject to their overall discretion, the Directors have determined to operate the following policy in respect of redemptions prior to the Redemption Date, namely that redemptions prior to the Redemption Date will be considered by the Directors ~~if~~provided always that:

~~(i)~~(a) any redemptions ~~are~~will be effected *pro rata* to all investors, for all or part of their Ordinary Shares, at the ~~audited Fair~~ Market Value per Share less all costs associated with and incidental to the redemption; and

~~(ii)~~(b) there is sufficient cash available to fund such redemption; and

~~(iii)~~(c) the number of Ordinary Shares to be redeemed shall be proportionate to the value that the Realisation proceeds received by the Company (less any Disposal Costs ~~and Performance Incentive~~, if applicable) represents to the NAV of the Company as a whole prior to such redemption.

- 8.2 The final redemption of unredeemed Ordinary Shares will not take place until all Investments of the Company have been liquidated into cash and/or Distributed and all remaining Aggregate Proceeds have been returned to Investors.

- 8.3 In addition, no redemption prior to the Redemption Date will be considered by the Directors, where:

- (a) such redemption would or might leave the Company with insufficient funds to meet any future contemplated obligations or contingencies; or
- (b) such redemption would render the Company insolvent; or
- (c) such redemption may in the opinion of the Directors be prejudicial to the Company or other Investors holding Ordinary Shares.

- 8.4 Redemption proceeds will be paid to Investors by the Administrator no later than 5 Business Days after the date on which the Ordinary Shares are redeemed, by electronic transfer into the bank account in the name of the Investor.

9. REDEMPTION ON REDEMPTION DATE

- 9.1 On or prior to the ~~10th anniversary of the Initial Closing~~Termination Date, the Directors shall convene an extraordinary general meeting at which time:

(a) an Ordinary Resolution will be proposed to either ~~(i)~~:

(i) if recommended by the Board, ~~to~~ extend the Termination Date by ~~one year~~ a further period of time; or ~~(ii)~~

~~9.1~~ voluntarily wind up the Company and to redeem all the Ordinary Shares on the Redemption Date, at the ~~audited Fair~~ Market Value per Share less any costs associated with the liquidation, if any; ~~or~~

~~9.2 If on, or prior to, the 10th anniversary of the Initial Closing Date an Ordinary Resolution in terms of 9.1(i) above was proposed and approved, then on, or prior to, the 11th anniversary of the Initial Closing Date the Directors shall convene an extraordinary general meeting and propose an Ordinary Resolution on terms similar to 9.1(i) and 9.1(ii) above but references to the 10th anniversary of the Initial Closing Date shall be replaced by reference to the 11th anniversary of the Initial Closing Date.~~

~~9.3(b) If on, or prior to, the 11th anniversary of the Initial Closing Date an Ordinary Resolution in terms of 9.1(i) above was proposed and approved, then on, or prior to, the 12th anniversary of the Initial Closing Date, the Directors shall convene an extraordinary general meeting at which time an Ordinary Resolution will be proposed to voluntarily wind up the Company, except if a Special Resolution (that a Special Resolution will be proposed at the same meeting) to extend the life of the Company indefinitely is proposed and approved.~~

~~9.4~~9.2 In the event that ~~either the Ordinary Resolution or the Special Resolution~~the extension to the Termination Date referred to in paragraph 9.1, ~~9.2 and 9.3 above are~~is not approved by the requisite majority of Investors, the Directors shall propose a Special Resolution that the Company be placed in voluntary liquidation and that a liquidator be appointed. Such liquidator shall wind-up and liquidate the affairs of the Company subject to the Laws and the Articles.

~~9.5~~9.3 In the event of a Special Resolution to extend the life of the Company indefinitely being proposed and approved by the Investors in extraordinary general meeting in accordance with paragraph 9.1(b), the Directors will endeavour, as soon as practicable thereafter, to provide an exit mechanism for those Investors wishing to dispose of their Ordinary Shares at that date, in terms of which Investors will be provided with an opportunity to dispose of Ordinary Shares to the Company, the Trust, existing or prospective Investors at the ~~audited Fair~~ Market Value per Share (or such other price as may be agreed between the relevant parties).

~~9.6~~9.4 The Company will redeem all of the Ordinary Shares on the Redemption Date. Should all the Investments not have been liquidated, then the redemption may be deferred until such time as all Investments have been liquidated, which liquidation shall be effected as soon as reasonably possible. The redemption price per Ordinary Share shall be equal to the ~~audited Fair~~ Market Value per Share less any costs associated with the liquidation, if any, at the Redemption Date.

~~9.7~~9.5 No settlement and registration fees will be payable in respect of redemptions effected on the Redemption Date. The Administrator will pay the redemption proceeds to the relevant Investor, by no later than 5 Business Days after the Redemption Date, by electronic transfer into the bank account in the name of the Investor. In the event that invalid banking details of an Investor being available to the Company, the redemption proceeds will be transferred by the Administrator to a trust which trust will hold such redemption proceeds until the earlier of the redemption proceeds being claimed by the relevant Investor or a period of 3 years. If the redemption proceeds are not claimed prior to the expiry of the aforementioned period such redemption proceeds will be paid to a charitable institution. Such Investor will pay an administration charge for this service of 0.1% per annum of the redemption proceeds payable to it.

10. INTERESTS IN SHARES

10.1 Without prejudice to Part XXIX of the Law, except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be affected or bound by or be compelled in any way to recognise (even when having notice) any equitable, contingent, future or partial interest in any share (except only as by these Articles or by law otherwise provided) or any other rights in respect of any share except an absolute right to the entirety in the registered holder and whether or not such share shall be entered in the Register as

held in trust, nor shall the Company be bound to see to the execution of any trust to which any share may be subject.

- 10.2 The Directors shall have power by notice in writing to require any Investor to disclose to the Company the identity of any person other than the Investor (an interested party) who has any interest in the shares held by the Investor and the nature of such interest.
- 10.3 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Directors shall determine.
- 10.4 The Company shall not have the power to claim a lien on shares.

11. CERTIFICATES

- 11.1 ~~Every~~ Subject to any JSE listing requirements regarding the dematerialisation of shares, every person shall be entitled upon request:-
- (a) without payment to one certificate for all his shares of each class and when part only of the shares comprised in a certificate is sold or transferred to a balance certificate; or
 - (b) upon payment of such sum as the Directors may determine to several certificates each for one or more shares of any class.
- 11.2 Any certificate issued shall specify the shares to which it relates and the amount paid up and the distinguishing numbers (if any).
- 11.3 All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment scrip certificates and other like documents) shall be issued under the Seal and shall be signed autographically unless there shall be in force a resolution of the Directors adopting some method of mechanical signature in which event the signatures (if authorised by such resolution) may be effected by the method so adopted.
- 11.4 In respect of a share held jointly the Company shall not be bound to issue more than one certificate and shall only issue a certificate if requested and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 11.5 The Company shall not be bound to register more than four Investors as the joint holders of any share or shares.
- 11.6 Where two or more Investors are registered as the holders of any share they shall be deemed to hold that share as joint tenants, subject to the following provisions:-
- (a) the joint holders of any share shall be jointly and severally liable for all amounts payable in respect of that share;
 - (b) any joint holder of a share may give an effectual receipt for any dividend or return of capital payable on that share to the joint holders of the share;
 - (c) only the first named joint holder of any share shall be entitled to delivery of a certificate relating to the share or to receive notices from the Company to attend any general meeting and any notice given to the first-named joint holder of the share shall be deemed to be notice given to all joint-holders of the share;
 - (d) the vote of the first-named joint holder of a share who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders of the share; and
 - (e) for the purpose of this Article the first-named joint holder shall be the Investor whose name first appears in the Register in respect of the share.

- 11.7 If a share certificate is issued and is defaced lost or destroyed it may be replaced or renewed without charge (other than exceptional out of pocket expenses) on such terms (if any) as to evidence and indemnity as the Directors thinks fit.

12. RESTRICTIONS ON TRANSFER

- 12.1 Subject to Article 13.3 there shall be no restriction on the transfer of shares in the issued share capital of the Company.

13. TRANSFER AND TRANSMISSION OF SHARES

- 13.1 All transfers of shares may be effected by transfer in writing in any form as the Directors may accept PROVIDED THAT any such instrument of transfer shall state the transferors and transferees full names and addresses and where deemed necessary by the Directors their nationalities. Any instrument of transfer shall be dated upon execution and shall be signed by or on behalf of the transferor who shall be deemed to remain the holder until the name of the transferee is entered in the Register.
- 13.2 Every instrument of transfer shall be left at the Office or such other place as the Directors may prescribe with the certificate of every share to be transferred (if any) and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to transfer the shares; and the instrument of transfer and certificate (if any) shall remain in the custody of the Directors but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives.
- 13.3 The Directors may refuse to register a transfer of shares unless it is delivered for registration to the Company's Registered Office or such other place as the Directors may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other Investor on his behalf, the authority of that Investor to do so.
- 13.4 If the Directors refuse to register the transfer of a share it shall, within two months after the date on which the instrument of transfer was lodged with the Company, send notice of the refusal to the transferor and the transferee.
- 13.5 The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Directors may decide and either generally or in respect of a particular class of share.
- 13.6 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares but fees may be payable by the transferee and/or transferor to the Administrator and any brokers.
- 13.7 The Company shall keep the Register in accordance with the Law. The Register may be closed during such periods as the Directors thinks fit not exceeding in all 30 days in any year.
- 13.8 On the death of an Investor, the survivors where the deceased was a joint holder and the executors of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- 13.9 An Investor so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of an Investor shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company, or save as aforesaid, to any of the rights or privileges of an Investor unless and until he shall be registered as an Investor in respect of the share PROVIDED ALWAYS that the Directors may at any time give notice requiring any such Investor to elect either to be

registered himself or to transfer the share and if the notice is not complied with within ninety days the Directors may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.

- 13.10 All authorities to sign transfer instruments granted by Investors for the purpose of transferring shares that may be lodged, produced or exhibited with or to the Company at its registered office shall, as between the Company and the relevant Investor, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the Company's registered office at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices, the Company shall be entitled to give effect to any instruments signed under the authority to sign, and certified by any officer of the Company, as being in order before the giving and lodging of such notice.

14. **ALTERATION OF CAPITAL**

- 14.1 The Company may by Special Resolution cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any Investor and diminish the amount of its authorised share capital accordingly.
- 14.2 The Company may, subject to JSE listing requirements, reduce its share capital or any capital redemption reserve or any share premium account in any manner subject to any authorisation and/or consent required by the Law.
- 14.3 The Company may by Special Resolution, subject to any authorisation and/or consent required by the Law and the JSE listing requirements:-
- (a) consolidate and divide all or any part of its share capital into shares of larger amount than its existing shares or consolidate and reduce the number of its existing shares;
 - (b) subdivide its shares, or any of them, into shares of a smaller amount; and
 - (c) convert all or any shares to shares of a different class, whether issued or not, and in particular (but without derogating from the generality of the foregoing) convert ordinary shares or preference shares to redeemable preference shares.
- 14.4 The Board may only create a new class of shares in the Company which is not in existence as at the date of adoption of these Articles with the sanction of the Investors by way of Special Resolution.

15. **GENERAL MEETINGS**

- 15.1 General meetings shall be held once at least in each calendar year in accordance with section 199 of the Law but so that not more than 15 months may elapse between one annual general meeting and the next. At each such annual general meeting shall be laid copies of the Company's most recent accounts, Directors' report and, if applicable, the Auditors' report in accordance with section 252 of the Law. The requirement for an annual general meeting may be waived by the Investors in accordance with section 201 of the Law. Other meetings of the Company shall be called extraordinary general meetings.

- ~~15.1~~15.2 General meetings ~~shall~~may be held in Guernsey or elsewhere at the discretion of the Directors.

- ~~15.2~~15.3 An Investor participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting at which a quorum is present shall be treated as having attended that meeting PROVIDED THAT the ~~Investors~~Chairman present at the meeting can hear and speak to the participating Investor.

- ~~15.3~~15.4 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Investors participates and all participants can hear and

speaking to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Investors resolve otherwise.

~~15.4~~15.5 Any general meeting convened by the Directors, unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition, may be postponed by the Directors by notice in writing and the meeting shall, subject to any further postponement or adjournment, be held at the postponed date for the purpose of transacting the business covered by the original notice.

~~15.5~~15.6 The Directors may whenever it thinks fit and shall on the requisition in writing of one or more holders representing not less than one tenth of the issued share capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an extraordinary general meeting.

~~15.6~~15.7 The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists.

~~15.7~~15.8 If the Directors do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited the requisitionists or a majority of them in value may themselves convene the meeting.

~~15.8~~15.9 Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Directors.

16. NOTICE OF GENERAL MEETINGS

16.1 Notice in writing specifying the time and place of an annual general meeting or of any other general meeting specifying also in the case of any special business the general nature of the business to be transacted shall be given by giving not less than:

- (a) thirty clear days' notice where such notice is sent by surface post by the Company Secretary or other person appointed or for and on behalf of the Company; or
- (b) twenty one clear days' where such notice is sent by air mail by the Company Secretary or other person appointed for and on behalf of the Company; or
- (c) twenty one clear days' notice where such notice is sent from the Republic [of South Africa](#).

to such Investors as are entitled to receive notices PROVIDED THAT with the consent in writing of all the Investors a meeting may be convened by a shorter notice or at no notice and in any manner they think fit. In every notice there shall appear a statement that an Investor entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be an Investor.

16.2 Notices and other documents may be sent in electronic form or published on a website in accordance with section 208 of the Law.

16.3 Notice of a general meeting of the Company must be sent to:

- (a) every Investor entitled to attend and vote thereat;
- (b) every Director;
- (c) every alternate Director registered as such; and
- (d) the Issuer Services Division of the JSE and must be announced on SENS.

16.4 In Article 16.3, the reference to Investors includes only persons registered as an Investor.

- 16.5 Notice of a general meeting of a company must:
- (a) state the time and date of the meeting;
 - (b) state the place of the meeting;
 - (c) specify any special business to be put to the meeting (as defined in Article 16.1);
 - (d) contain the information required under section 178(6)(a) of the Law in respect of a resolution which is to be proposed as a ~~special resolution~~ [Special Resolution](#) at the meeting;
 - (e) contain the information required under section 179(6)(a) of the Law in respect of a resolution which is to be proposed as a ~~waiver resolution~~ [Waiver Resolution](#) at the meeting; and
 - (f) contain the information required under section 180(3)(a) of the Law in respect of a resolution which is to be proposed as a ~~unanimous resolution~~ [Unanimous Resolution](#) at the meeting.
- 16.6 Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.
- 16.7 Where, by any provision of the Law, special notice is required of a resolution, the resolution is not effective unless notice of the intention to move it has been given to the Company at least 28 clear days before the date of the meeting at which it is moved.
- 16.8 The Company must, where practicable, give its Investors entitled to vote thereon notice of any such resolution in the same manner and at the same time as it gives notice of the meeting.
- 16.9 Where that is not practicable, the Company must give its Investors entitled to vote thereon notice at least 14 clear days before the meeting:
- (a) by notice in La Gazette Officielle; or
 - (b) in any other manner deemed appropriate by the Board.
- 16.10 If, after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date 28 clear days or less after the notice has been given, the notice is deemed to have been properly given, though not given within the time required.
- 16.11 In every notice calling a meeting of the Company there must appear a statement informing the Investor of:
- (a) his rights to appoint a proxy under these Articles and section 222 of the Law; and
 - (b) the right to appoint more than one proxy.
- 16.12 The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Investor shall not invalidate any resolution (or any proposed resolution otherwise duly approved) passed or proceeding at any meeting.

17. PROCEEDINGS AT GENERAL MEETINGS

- 17.1 The ordinary business of a general meeting shall be to receive and consider the profit and loss account, the balance sheet of the Company and the reports of the Directors and the Auditors, if any, to elect Directors and appoint Auditors in the place of those retiring, to fix the remuneration of the Auditors, to sanction or declare dividends (if required by these Articles) and to transact any other ordinary business which ought to be transacted at such

meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.

- 17.2 The quorum for a general meeting shall be three Investors entitled to attend and vote present in person or by proxy.
- 17.3 If, within half an hour after the time appointed for the meeting, a quorum is not present, the meeting, if convened by or upon a requisition, shall be dissolved. If otherwise convened, it shall stand adjourned for seven clear days at the same time and place or to such other day and at such other time and place as the Directors may determine and (subject to Article 17.5) and no notice of adjournment need be given. On the resumption of an adjourned meeting, those Investors entitled to attend and vote present in person or by proxy shall constitute the quorum.
- 17.4 The Chairman (if any) or, if absent, the Deputy Chairman (if any) of the Directors or, failing him, some other Director nominated by the Directors shall preside as Chairman at every general meeting of the Company, but if at any meeting none of the Chairman nor the Deputy Chairman nor such other Director be present within fifteen minutes after the time appointed for holding the meeting, or if none of them be willing to act as Chairman, the Directors present shall choose some Director present to be Chairman, or if no Directors be present, or if all the Directors present decline to take the chair the Investors entitled to attend and vote present in person or by proxy shall choose some Investor present to be Chairman.
- 17.5 The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 17.6 At any meeting, a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the Chairman. Nevertheless before or on the declaration of the result a poll may be demanded:
- (a) by the Chairman; or
 - (b) by one Investor entitled to attend and vote present in person or by proxy provided he represents at least one-tenth of the issued capital; or
 - (c) by two Investors entitled to attend and vote in person or by proxy.
- 17.7 The demand for a poll may be withdrawn.
- 17.8 Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.
- 17.9 A poll, if demanded, shall be taken at the meeting at which the same is demanded or at such other time and place as the Chairman shall direct and the result shall be deemed the resolution of the meeting.
- 17.10 If a poll is duly demanded, it shall be taken in such manner and at such place as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 17.11 A poll demanded on the election of a Chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken

at such time and place as the Chairman directs not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.

- 17.12 In case of an equality of votes on a show of hands or on a poll, the Chairman shall not have a second or casting vote.

18. VOTES OF INVESTORS

- 18.1 Save as otherwise provided in these Articles and subject to any special rights or restrictions for the time being attached to any class of share:-

(a) On a show of hands every Investor entitled to attend and vote present in person or by proxy shall have 1 (one) vote.

(b) On a poll every Investor entitled to attend and vote present in person or by proxy shall have 1 (one) vote for each share held by him.

- 18.2 Where there are joint registered holders of any share, such Investors shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the Investor whose name stands first on the Register shall alone be entitled to vote.

- 18.3 Any Investor, being incapable or of unsound mind, may vote by his curator or other legal guardian. Any such Investors may vote either personally or by proxy.

- 18.4 On a poll votes may be given either personally or by proxy and an Investor entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be an Investor. An instrument of proxy may be valid for one or more meetings.

- 18.5 No Investor shall be entitled to vote in respect of any shares unless he has been registered as their holder.

- 18.6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the Chairman whose decision shall be final and binding.

19. PROXIES

- 19.1 The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation under its common seal or under the hand of an officer or attorney duly authorised.

- 19.2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the branch office of the Company in the Republic of South Africa and/or the Office or such other venue as the Board may specify not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll and in default, unless the Board directs otherwise, the instrument of proxy shall not be treated as valid. In calculating the periods mentioned in this article no account shall be taken of any part of a day that is not a Business Day.

- 19.3 The instrument appointing a proxy may be in any form which the Directors may approve and may include an instruction by the appointer to the proxy either to vote for or against any resolution to be put to the meeting.

- 19.4 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.

- 19.5 Without prejudice to section 226 of the Law, a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed

PROVIDED THAT no intimation in writing of such death disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.

- 19.6 Any corporation which is an Investor may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Investor of the Company or to approve any resolution submitted in writing and the Investor so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Investor of the Company.

20. NUMBER AND APPOINTMENT OF DIRECTORS

- 20.1 Unless otherwise determined by Ordinary Resolution of the Company the Directors (disregarding alternate Directors) will not be less than four (4) nor more than ~~ten~~[twelve](#) (~~10~~[12](#)). At no time shall a majority of Directors be resident in the United Kingdom or the Republic of South Africa.
- 20.2 The Directors shall have power at any time to appoint any person eligible in accordance with section 137 of the Law to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number, if any, fixed pursuant to these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Investors may, by Special Resolution, appoint a person to be a Director or remove any Director from office.
- 20.3 No person other than a Director retiring at an annual general meeting shall unless recommended by the Directors be eligible for election by the Company to the office of Director unless not less than 10 nor more than 35 clear Business Days before the before the meeting, notice executed by an Investor qualified to vote at the meeting (not being the person to be proposed), has been given to the secretary of the Company of the intention to propose that person for appointment or re-appointment together with notice executed by that person of his willingness to be appointed or re-appointed. The Board, through the nomination committee (if the Company has a nomination committee at such point in time), should recommend the eligibility of a person to be appointed or re-appointed as a Director, taking into account the past performance and contributions made to the Company by such person.
- 20.4 Notwithstanding Article 20.3, the Company may, by Special ~~resolution~~[Resolution](#), remove any Director before the expiration of his period of office and by a Special ~~resolution~~[Resolution](#) elect another person instead in accordance with Article 20.3. The person so elected may hold office until the next following annual meeting of the Company and shall then retire and be eligible for re-election.
- 20.5 Notwithstanding Article 20.3, the Company may, by Special ~~resolution~~[Resolution](#) in general meeting from time-to-time increase (or reduce, but not below 4 (four)), the number of directors and may also determine in which manner or rotation such increased (or reduced) number is to go out of office. Whenever such increase is made, the holders of the shares at the said meeting or failing them, the retiring Directors may fill the new seat so created. A Director shall cease to hold office as such if he is removed by Special ~~resolution~~[Resolution](#) of the Company before the expiration of his period of office or one month after he has given notice in writing of his intention to resign.
- 20.6 At the annual general meeting held in each year 1/3 (one-third) of the Directors, or if their number is not a multiple of 3 (three), then the number nearest to, but not less than 1/3 (one-third) shall retire from office, provided that in determining the number of Directors to retire no account shall be taken of any director who by reason of the provisions of Article 28.1 is not subject to retirement and provided that this Article shall not apply to Executive Directors. The Directors so to retire at each annual general meeting shall be firstly those retiring in terms of Article 20.2 and secondly those referred to in terms of Article 26.2 and lastly those who have been longest in office since their last election or appointment. As between Directors of equal seniority, the directors to retire shall, in the absence of agreement, be selected from among them by lot. Provided that notwithstanding anything herein contained, if, at the date of any annual general meeting any Director will have held office for a period of 3 (three) years since his last election or appointment he shall retire at such meeting, either as one of the Directors to retire in pursuance of the foregoing or additionally thereto. A retiring Director shall act as a director throughout the meeting at which he retires. The length of time a Director has been in office shall, save in respect of

Directors appointed or elected in terms of the provisions of Articles 20.2 and 26.2, be computed from the date of his last election or appointment. Directors subject to retire by rotation may offer themselves up for re-election.

- 20.7 The period of office for Executive Directors shall be subject to and determined by the terms of their employment.
- 20.8 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by appointing a person thereto by Special Resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 20.1) fill any other vacancies.
- 20.9 Without prejudice to the powers of the Directors, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director and shall approve any person appointed by the Directors pursuant to Article 20.2.
- 20.10 At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

21. QUALIFICATION AND REMUNERATION OF DIRECTORS

- 21.1 A Director need not be an Investor of the Company. No shareholding qualification for Directors is needed.
- 21.2 The non-executive Directors shall be entitled to receive by way of fees for their services such sum as the Directors shall determine, provided that the ~~aggregate~~ amount of such fees for non-executive Directors shall not exceed ~~any~~ US\$100,000 each per annum or such other amount as is approved by the ~~company~~ Company in general meeting from time to time. The non-executive Directors shall also be entitled to be paid all reasonable out of pocket expenses properly incurred by them in attending general meetings, ~~Directors~~ directors or committee meetings or otherwise in connection with the performance of their duties.
- 21.3 If any Director, having been requested by the Directors, shall render or perform services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as a disinterested quorum of Directors may determine, and such extra remuneration will be, in addition to any other remuneration which he may be entitled to receive.

22. ALTERNATE DIRECTORS

- 22.1 Any Director may, by notice in writing under his hand served upon the Company, appoint any person (whether an Investor of the Company or not) as an alternate Director, other than a person resident in the United Kingdom or South Africa unless the Director seeking to appoint the alternate director is himself resident in the United Kingdom or South Africa, as the case may be, to attend and vote in his place at any meeting of the Directors at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply:
- 22.2 Every alternate Director while he holds office as such shall be entitled:
- (a) If his appointer so directs the Company's secretary, to notice of meetings of the Directors; and
 - (b) to attend and to exercise (subject to any restrictions) all the rights and privileges of his appointer at all such meetings at which his appointer is not personally present.
- 22.3 Every alternate Director shall *ipso facto* vacate office if and when his appointment expires by effluxion of time or his appointer vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand served upon the Company.
- 22.4 No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in exercise of his duties.

- 22.5 A Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director.

23. BORROWING POWERS OF THE COMPANY

The ~~borrowing powers of the Company and~~ Board may exercise all the powers of the Company to mortgage or encumber its Investments and/or assets or any part thereof and to issue debentures or debenture stock (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the Company or any third party, ~~shall be limited to 30% of the Company's assets~~. The granting of special privileges to holders of debt instruments, such as attending and voting at general meetings and the appointment of directors is prohibited.

24. OTHER POWERS AND DUTIES OF THE DIRECTORS

- 24.1 The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not required to be exercised by the Company in a general meeting subject nevertheless to these Articles and to the Law and to such regulations as may be prescribed by the Company in a general meeting but no regulation so made shall invalidate any prior act of the Directors. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.
- 24.2 The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more Subsidiary companies and the Directors may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such Subsidiary company or guaranteeing its contracts, obligations or liabilities.
- 24.3 The Directors may establish any local boards or committees for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local boards or committees and may fix their remuneration and may delegate to any local board or committee any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local board or committee to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit and the Directors may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby. The provisions of Article 27 shall apply to meetings of such local boards and committees *mutatis mutandis* save as varied by the Board.
- 24.4 The Directors may at any time, by power of attorney given under the hand of such person or persons duly authorised by the Directors in that behalf, appoint any person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney of the Company for such purposes and with such powers and discretions and for such periods and subject to such conditions as the Directors may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Directors may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretions.
- 24.5 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Directors shall at any time determine.

25. CONFLICTS OF INTEREST

- 25.1 A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with section 162 of the Law:
- (a) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or
 - (b) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.
- 25.2 Article 25.1 does not apply if:

- (a) the transaction or proposed transaction is between the Director and the Company; and
 - (b) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.
- 25.3 A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.
- 25.4 Nothing in Articles 25.1, 25.2 and 25.3 applies in relation to:
 - (a) remuneration or other benefit given to a Director;
 - (b) insurance purchased or maintained for a Director in accordance with section 158 of the Law; or
 - (c) qualifying third party indemnity provision provided for a Director in accordance with section 159 of the Law.
- 25.5 Subject to the JSE listing requirements, a Director who is interested in a transaction entered into, or to be entered into, by the Company, may:
 - (a) vote on a matter relating to the transaction;
 - (b) attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum;
 - (c) sign a document relating to the transaction on behalf of the Company; and
 - (d) do any other thing in his capacity as a Director in relation to the transaction; as if the Director was not interested in the transaction.
- 25.6 Subject to Article 25.7, a Director is interested in a transaction to which the Company is a party if the Director:
 - (a) is a party to, or may derive a material benefit from, the transaction;
 - (b) has a material financial interest in another party to the transaction;
 - (c) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
 - (d) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
 - (e) is otherwise directly or indirectly materially interested in the transaction.
- 25.7 A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.
- 25.8 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- 25.9 Subject to due disclosure in accordance with Article 25, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor purchaser or otherwise nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 25.10 Any Director may act by himself or his firm in a professional capacity for the Company (other than Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 25.11 Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such other company.

26. DISQUALIFICATION AND REMOVAL OF DIRECTORS

26.1 A Director shall cease to hold office:

- (a) if he (not being a person holding for a fixed term an executive office subject to termination if he cease from any cause to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office;
- (b) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Directors on the affairs of the Company) from meetings of the Directors for a consecutive period of twelve (12) months and the Directors resolve that his office shall be vacated;
- (c) if he dies or becomes of unsound mind or incapable;
- (d) if he becomes insolvent suspends payment or compounds with his creditors;
- (e) if the Company by Special Resolution vote to remove the Director from office;
- (f) if he becomes resident in either the United Kingdom or the Republic of South Africa and, as a result thereof, a majority of the Directors are resident in either the United Kingdom or the Republic of South Africa ; or
- (g) if he becomes ineligible to be a Director in accordance with section 137 of the Law.

26.2 If the Company in general meeting removes any Director before the expiration of his period of office, it may by Special Resolution appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.

27. PROCEEDINGS OF DIRECTORS

27.1 The Directors may meet for the dispatch of business adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman at the meeting shall not have a second or casting vote. All meetings of Directors shall take place outside of the United Kingdom and the Republic of South Africa and any decision reached or resolution passed by the Directors at any meeting held within the United Kingdom or South Africa or at which a majority of United Kingdom or South African resident Directors (as the case may be) is present shall be invalid and of no effect.

27.2 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting PROVIDED THAT no Directors physically present in the United Kingdom or South Africa at the time of any such meeting may participate in a meeting by means of video link, telephone conference call or other electronic or telephonic means of communication.

27.3 The Directors shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.

27.4 A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Directors.

27.5 The continuing Directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the minimum number fixed pursuant to these Articles, the continuing Directors must, as soon as possible, and, in any event, not later than 3 (three) months from the date that the number falls below the minimum fill such vacancy or summoning a general meeting to do so. If there be no Directors able or willing to act, then any Investor may summon a general meeting for the purpose of appointing Directors. Any failure by the Company at any time to have the minimum number of Directors during the aforesaid 3 (three) month period, does not limit or negate the authority of the Board, or invalidate anything done by the Board or the Company. After the expiry of the aforesaid 3 (three) month period, the remaining Directors shall only be permitted to act for the purpose of filling the vacancy or summoning a general meeting to do so.

- 27.6 The Directors may elect one of their number as Chairman of their meetings who will hold office only for the duration of the meeting at which he was elected. If no such Chairman be elected or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
- 27.7 The Directors may delegate any of their powers to committees consisting of such one or more Directors as they think fit. Such Committees shall meet only outside the United Kingdom. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Subject thereto, this Article 27 shall apply *mutatis mutandis* to the proceedings of such committees.
- 27.8 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be three except that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
- 27.9 A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee and may be transmitted to the Company by facsimile.
- 27.10 The record date for all transactions must be as set out in the JSE listing requirements.

28. EXECUTIVE ~~DIRECTOR~~DIRECTORS

- 28.1 The Directors may at any time appoint one or more of their body (who is resident outside the United Kingdom and the Republic of South Africa) to be holder of any executive office including the office of Managing Director for such periods and upon such terms as the Directors may determine and may revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. The Directors may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Directors upon such terms and conditions and with such restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.

~~28.1~~28.2 The fees and remuneration of executive Directors including, for the avoidance of doubt, the issue of or participation in any share and option bonus or performance incentive plan, shall be dealt with by the remuneration committee of the Company but shall be subject at all times to the JSE listing requirements.

29. SECRETARY

- 29.1 The Secretary shall be appointed and removed by the Directors. Anything required or authorised to be done by or to the Secretary, may, if the office is vacant or there is for any other reason no Secretary capable of acting be done by or to any assistant or deputy secretary or if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors PROVIDED THAT any provisions of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.
- 29.2 No person shall be appointed or hold office as Secretary who is:-

~~29.3~~(a) the sole Director of the Company~~7~~; or

~~29.4~~(b) a corporation the sole Director of which is the sole Director of the Company~~7.1~~ or

~~29.5~~(c) the sole Director of a corporation which is the sole Director of the Company.

30. RESIDENT AGENT

If Part XXIX of the Law applies to the Company, the Board shall ensure that a resident agent is appointed in accordance with the Law.

31. THE SEAL

If the Directors determines to maintain a Seal, it shall provide for the safe custody of the Seal which shall only be used by authority of the Directors or of a committee and every instrument to which the Seal shall be affixed shall be signed by any such persons as are authorised by the Directors in that behalf. The Directors may authorise the use of a duplicate or facsimile Seal for use outside Guernsey in such manner as the Directors may at its discretion determine.

32. COMMON SIGNATURE

The common signature of the Company may be either:

- 32.1 the name of the Company with the addition of the signature(s) of one or more of the Directors or officers of the Company authorised generally or specifically by the Board for such purpose, or such other person or persons as the Board may from time to time appoint; or
- 32.2 if the Board resolves that the Company shall have a Seal, it shall be affixed in such manner as these Articles or the Board may from time to time provide.

33. AUTHENTICATION OF DOCUMENTS

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Directors and any books records documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts; and where any books records documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having their custody shall be deemed to be a person appointed by the Directors as aforesaid.

34. DIVIDENDS

- 34.1 Subject to compliance with section 304 of the Law, the Directors may at any time if they think fit declare and pay such dividends, including interim dividends, as appear to be justified by the position of the Company. The Directors may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Directors so justifies.
- 34.2 No dividends may be declared or paid other than from Aggregate Proceeds. Any dividends paid will be paid in accordance with the policy of the Bermuda Stock Exchange and those of the JSE, at the point in time when these Articles were adopted such policy of the JSE being that dividends are to be payable to shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later.
- 34.3 No unclaimed monies due to Investors in their capacities as shareholders of the Company, including but not limited to, any dividends or distributions ("**Monies**") will bear interest against the Company. Any Monies unclaimed will be transferred to a trust which will hold such Monies until the earlier of the date on which such Monies are claimed by the relevant Investor or 3 years from the date on which the Company attempted to pay such Monies to the Investor. If the Monies are not claimed before the expiry of the 3 year period such

Monies will be paid to a charitable institution. The Investor will pay administration charges for the service of 0.1% per annum of the amount of such Monies.

- 34.4 The Directors may, before recommending any dividend, set aside such sums (out of profits or otherwise) as it thinks proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose to which such sums may be properly applied and, pending such application, may either be employed in the business of the Company or be invested in such investments as the Directors may at any time think fit. The Directors may also, without placing the same to reserve, carry forward any profits or other sums which it may think prudent not to distribute.
- 34.5 The method of payment of dividends shall be at the discretion of the Directors.
- 34.6 With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid up shares of the Company. Where any difficulty arises in regard to such distribution, the Directors may settle the same as it thinks expedient and in particular fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Investors based on the value so fixed in order to adjust the rights of Investors and may vest any such specific assets in trustees for the Investors entitled as may seem expedient to the Directors.
- 34.7 Unless otherwise resolved by Special Resolution and with the prior written consent of the ~~Investment Manager~~ [Key Executives](#), the Company ~~is obliged to~~ [may](#) Distribute all Aggregate Proceeds to Investors within 30 Business Days of the receipt of such Aggregate Proceeds, whether through Distributions, the redemption of Shares or otherwise.
- 34.8 Subject to the Law where any asset, mining rights or business is bought by the Company as from a past date whether such date be before or after the incorporation of the Company profits and losses as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits and losses of the Company. Subject as aforesaid if any shares or securities are purchased cum dividend or interest such dividend or interest may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise all or part of the same.
- 34.9 The Directors may deduct from any dividend payable to any Investor on or in respect of a share all sums of money (if any) presently payable by him to the Company.
- 34.10 The Directors may retain dividends payable upon shares in respect of which any person is entitled to become an Investor until such person has become an Investor.

35. CAPITALISATION OF PROFITS

- 35.1 The Company in general meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sums be set free for distribution amongst the Investors who would have been entitled thereto if distributed and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Investors respectively or paying up in full unissued shares of the Company to be allotted and distributed credited as fully paid to and amongst such Investors.
- 35.2 Whenever such resolution shall have been passed, the Board shall make all appropriations and applications of the reserves or profits resolved to be capitalised and all allotments and issues of fully paid shares and generally shall do all things required to give effect thereto with full power to the Board to authorise any person to enter on behalf of all Investors entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the amounts resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing

shares and any agreement made under such authority shall be effective and binding on all such Investors.

36. ACCOUNTS

- 36.1 The Directors shall cause proper books of account to be kept, and reports to be issued, with respect to all the transactions assets and liabilities of the Company in accordance with the Law and International Financial Reporting Standards.
- 36.2 The books of account shall be kept at the Office or at such other place as the Directors shall think fit and shall at all times be open to the inspection of the Directors but no person other than a Director or Auditor or other person whose duty requires and entitles him to do so shall be entitled to inspect the books accounts and documents of the Company except as provided by the Law or authorised by the Directors or by the Company in general meeting.
- 36.3 The annual financial statements of the Company shall be laid before the Company at its annual general meeting in each year and the annual financial statements of the Company shall contain a general summary of the assets and liabilities of the Company. The annual financial statements of the Company shall be accompanied by a report of the Directors as to the state of the Company as to the amount (if any) which they recommend to be paid by way of dividend and the amount (if any) which they have carried or propose to carry to reserve. The Auditors' report shall be attached to the annual financial statements of the Company or there shall be inserted at the foot of the annual financial statements of the Company a reference to the report.
- 36.4 ~~A~~In accordance with the JSE listing requirements, a copy of the annual financial statements of the Company and of all documents annexed thereto including the reports of the Directors and the Auditors shall at least twenty one days before the date of the meeting be ~~delivered or sent by post or electronically~~provided to each of the registered holders and to the Auditors. Any holder may by written notice served on the Company waive this requirement.

37. AUDITORS

- 37.1 A Director shall not be capable of being appointed as an Auditor.
- 37.2 A person other than a retiring Auditor shall not be capable of being appointed Auditor at an ordinary general meeting unless notice of intention to nominate that person as Auditor has been given by an Investor to the Company not less than fourteen days before the meeting and the Directors shall send a copy of any such notice to the retiring Auditor and shall give notice to the Investors not less than seven days before the meeting PROVIDED THAT if after notice of the intention to nominate an Auditor has been so given a meeting is called for a date fourteen days or less after such notice has been given the requirements of this provision as to time in respect of such notice shall be deemed to have been satisfied and the notice to be sent or given by the Company may instead of being sent or given within the time required by this Article be sent or given at the same time as the notice of the meeting.
- ~~37.3 The first Auditors shall be appointed by the Directors before the first general meeting and they shall hold office until the first ordinary general meeting unless previously removed in which case the Investors at such meeting may appoint the Auditors.~~
- 37.4 The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditors (if any) may act.
- 37.5 The remuneration of the Auditors shall be fixed by the Company in a general meeting or in such manner as the Company may determine except that the remuneration of any Auditors appointed by the Directors shall be fixed by the Directors.
- 37.6 Every Auditor shall have a right of access at all times to the books accounts and documents of the Company and as regards books accounts and documents of which the originals are not readily available shall be entitled to rely upon copies or extracts certified by an officer of the Company and shall be entitled to require from the Directors such information and explanations as may be necessary for the performance of their duties and the Auditors shall make a report to the Investors

on the accounts examined by them and the report shall state whether in their opinion the accounts give a true and fair view of the state of the Company's affairs and whether they have been prepared in accordance with the Law.

~~37.7~~ Any Auditor shall be eligible for re-election.

38. NOTICES

- 38.1 A notice or other communication may be given by the Company to any Investor either personally or by sending it by prepaid post addressed to such Investor at his registered address (or, subject to Article 38.8, in electronic form) or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose. Notices to be posted to addresses outside the Channel Islands and the United Kingdom shall so far as practicable be forwarded by prepaid airmail.
- 38.2 The Company shall, where no other period is specified in these Articles, give all Investors sufficient notice to enable them to exercise their rights or comply with the terms of the notice.
- 38.3 Any notice or other document, if served by post (including registered post, recorded delivery service or ordinary letter post), shall be deemed to have been served on the third day after the day on which the same was posted from Guernsey to an address in the United Kingdom, the Channel Islands or the Isle of Man and, in any other case, on the seventh day following that on which the same was posted (excluding, in each case, a day which is not a working day in Guernsey). A notice given by advertisement shall be published in at least one UK national newspaper and one daily newspaper circulated widely in each of Guernsey and Jersey and shall be deemed to have been served before noon the day on which the advertisement appears.
- 38.4 Service of a document sent by post shall be proved by showing the date of posting, the address thereon and the fact of pre-payment.
- 38.5 Any notice or other document, if transmitted by electronic communication, facsimile transmission or other similar means which produce or enable the production of a document containing the text of the communication, shall be regarded as served when it is received.
- 38.6 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.
- 38.7 Any notice or other communication sent by post to or left at the registered address of any Investor shall, notwithstanding the death, disability or insolvency of such Investor and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such Investor as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
- 38.8 All Investors shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with sections 524 and 526 and Schedule 3 of the Law unless an Investor notifies the Company otherwise. Notice under this Article must be in writing and signed by the Investor and delivered to the Company's Office or such other place as the Board directs.

39. WINDING UP

- 39.1 Notwithstanding Article 39.2 the Company shall be wound up in any of the circumstances specified in the Law and assets available for distribution to Investors shall, subject to any special terms of issue (including, but not limited to, the rights specified in Article 4.4(b) and 4.5(b)), be distributed according to the number of shares held by each Investor.
- 39.2 In the event of the Company being wound up:

- (a) the Liquidator will apply the assets of the Company, subject to the provisions of Guernsey law, in satisfaction of:
 - (i) creditors' claims;
 - (ii) settlement of the ~~Fair~~ Market Value per Share of the Ordinary Shares, less any costs associated with such liquidation;
 - (iii) settlement of the nominal value of the Management Shares; and
 - (iv) any surplus will be paid to the Investors.
- (b) the Liquidator may, with the sanction of a Special Resolution, divide amongst Investors *in specie* any part of the assets of the Company.

39.3 If the Company shall be wound up whether voluntarily or otherwise the Liquidator may with the authority of a Special Resolution divide among the holders of shares in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of assets of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes or property and may determine how such division shall be carried out as between the Investors or different classes of Investors. The Liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of Investors as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Investor shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.

39.4 If thought expedient subject to the obtaining of any necessary consents or sanctions any such division made in accordance with Article 39.3 above may be otherwise than in accordance with the then existing rights of the Investors and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject to the rights of the holders of shares issued with special rights or privileges or on special conditions be distributed rateably according to the amount paid up on the shares.

39.5 Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or assets are proposed to be transferred or sold to another company ("the transferee") the Liquidator of the Company may, with the sanction of an Ordinary Resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares policies or other like interests in the transferee for distribution among the Investors of the Company or may enter into any other arrangement whereby the Investors of the Company may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee

40. DURATION

40.1 For the purposes of Section 391(1) (a)(i) of the Law, the period fixed for the duration of the Company shall ~~be~~end on the Termination Date.

41. INDEMNITY

41.1 The Directors, Secretary and officers of the Company and their respective heirs and executors shall, to the extent permitted by section 157 of the Law, be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as

aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

42. INSURANCE

- 42.1 Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its Subsidiary of the Company (together "Group Companies") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

43. INSPECTION OF DOCUMENTS

- 43.1 The Directors shall determine whether and to what extent and at what times and places and under what conditions the accounts books and documents of the Company shall be open to inspection and no Investor shall have any right of inspecting any account or book or document except as conferred by the Laws or authorised by the Directors

44. AMENDMENT TO ARTICLES

- 44.1 Any amendment to these Articles must be approved by a ~~special resolution~~[Special Resolution](#) of the holders of Ordinary Shares, save where such amendment is required pursuant to the Law or under an order of the Royal Court of Guernsey.

~~**45. NET ASSET VALUE**~~

- ~~45.1 The Net Asset Value of the Company is the value of the assets of the Company less the total liabilities (including accrued but unpaid fees) attributable to it and a provision for, if applicable, any performance incentive attributable to the Investment Manager. The value of the assets of the Company and the amount of its liabilities shall be determined by the Directors in accordance with this Article:~~

~~(a) The assets of the Company shall be deemed to include the following:~~

~~(i) all Investments;~~

~~(ii) all cash in hand, on loan or on deposit, or on call, including any interest accrued thereon;~~

~~(iii) all bills, demand notes, promissory notes and accounts receivable;~~

~~(iv) all interest accrued on any interest-bearing securities owned by the Company; and~~

~~(v) all other assets of the Company of every kind and nature, including prepaid expenses as valued by the Auditors.~~

~~(b) The assets of the Company shall be valued as follows:~~

~~(i) Unlisted Investments shall be valued by the Independent Valuer which valuations shall be performed on a 6 monthly basis in accordance with the valuation guidelines contained in the International Private Equity and~~

~~Venture Capital Valuation Guidelines, which became effective from 1 December 2012 (as amended, supplemented or replaced from time to time);~~

- ~~(ii) Investments which are listed or quoted on any securities exchange or similar electronic system and regularly traded thereon shall be valued at its last traded price on the relevant Business Day or, if no trades occurred on such Business Day, at the closing price, as at the relevant Business Day and as adjusted in such manner as the Directors, in their sole discretion, deems fit, having regard to the size of the holding and where prices are available on more than one exchange or system for a particular Investment, the Directors shall in their discretion which of those prices shall apply;~~
- ~~(iii) cash in hand or on deposit, pre-paid expenses, cash dividends and interest declared or accrued and not yet received shall be valued at their full nominal amount unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case their value will be arrived at after making such discount as the Directors may consider appropriate in such case to reflect their true value;~~
- ~~(iv) demand notes, promissory notes and accounts receivable shall be valued at their face value or full amount after making such discount as the Directors may consider appropriate to reflect their true current value;~~
- ~~(v) deposits shall be valued at their principal amount plus accrued interest from the date of acquisition;~~
- ~~(vi) certificates of deposit, treasury bills, bank acceptances and trade bills shall each be valued (on the basis of a notification to the Directors by a person approved by the Directors for the purposes of this paragraph whose business includes dealing in or effecting transactions in the relevant Investment) according to the normal dealing practice in, and at the price of, the relevant Investment at close of business (or as near thereto as may be practicable whether before or after close of business) on the relevant Business Day; and~~
- ~~(vii) Investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution, shall be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average shall be taken between the lowest offer price and the highest bid price at the close of business on any market on which such Investments are or can be dealt in or traded, provided that where such Investments are dealt in or traded on more than one market, the Directors may determine at its discretion which markets shall prevail and provided also that the Directors, at its absolute discretion, may permit some other method of valuation to be used if it considers that it better reflects value and is in accordance with international financial reporting standards.~~
- ~~(c) Any valuations made pursuant to these Articles shall be binding on all persons.~~
- ~~(d) The liabilities of the Company shall be deemed to include all its liabilities (including such amount as the Directors and/or Auditors determines to provide in respect of contingent liabilities) of whatsoever kind and nature.~~
- ~~(e) If in any case a particular value is not ascertainable as provided above or if the Directors and/or the Independent Valuer considers that some other method of valuation better reflects the fair value of the relevant Investment, then in such case the method of valuation of the relevant Investment shall be such as the Directors and/or the Independent Valuer shall decide.~~
- ~~(f) Notwithstanding the foregoing, where at the time as of which the assets are being valued, any Investment of the Company that has been Realised or contracted to be Realised, there shall be included in the assets of the Company in place of such Investment the net amount receivable by the~~

~~Company in respect thereof provided that, if the net amount receivable is not then known exactly, then its value shall be the net amount estimated by the Directors and/or the Independent Valuer as receivable by the Company, and if the net amount receivable is not payable until some future time after the time as of which the assets are being valued, the Directors and/or the Independent Valuer may make such allowances as it considers appropriate.~~

ANNEXURE A

Investment Policy

The Company will invest in Investments falling within the Investment Scope and in the Approved Investment. ~~The Company will hold whether directly or indirectly, through one or more special purpose vehicles to ensure the most efficient corporate structure, a minimum of a 20% interest in each Investment Vehicle, subject to the limitations, below.~~

- ~~(a) the aggregate investment by the Company in any Investment Vehicle may not exceed the greater of 30% of the Company's Funds or USD 100 million, unless such excess Investment is approved by Investors by Ordinary Resolution. Aggregate Investments shall for this purpose include any guarantees and undertakings provided by the Company with respect to an Investment Vehicle but shall exclude any Temporary Investments; and~~
- ~~(b) Temporary Investments may, when added to the Company's other investments in an Investment Vehicle, not exceed the greater of 40% of the Company's Funds or USD 150 million. The Investment Manager will use reasonable endeavours to reduce the aggregate amount invested in a single Investment Vehicle to the greater of 30% of the Company's Funds or USD 100 million within the 12 month period following the date on which such Investment is concluded.~~

Whilst the Company has the ability to gear its balance sheet, it is intended that each Investment will be ring-fenced by the Company and that the funding of each Investment will be based on the strength of such Investment's balance sheet and/or cash flow potential, thereby increasing the insolvency remoteness of each Investment, unless such excess Investment is approved by Investors by Ordinary Resolution.

The Company will be responsible for its own investment management activity as it has not elected to continue with the appointment of an external investment manager. In particular, it should be noted that the Investment Policy has been set by the Board, though the Key Executives have been appointed to facilitate the execution of that policy.

Investment Scope

The Company will maintain a global focus across the commodities spectrum, with a primary focus on underperforming assets, businesses that lack direction, are poorly managed, stranded or distressed. The ~~Investment Manager~~Key Executives, on behalf of the Company, will seek to develop strategic platforms in pursuit of consolidation, vertical integration and turn-around opportunities as well as expansion projects. The Company will target Investments in businesses that hold mines, smelters, refineries and processing plants with a strong preference for brown-fields opportunities, although Investments in businesses with attractive development opportunities will be considered.

Investments shall include, but shall not be limited to, the acquisition and disposal of ordinary shares, preference shares, debentures, loan stocks, other securities, options and warrants of and in listed and in unlisted companies and/or other vehicles that focus in the global natural resources sector and in the Approved Investment.

Performance Incentive

~~The Investment Manager or its Associate, notwithstanding the termination of the Investment Management Agreement other than pursuant to Cause by the Investment Manager, shall be entitled to the Performance Incentive, in respect of Investments made by the Company before the termination of the Investment Management Agreement, calculated as follows:~~

- ~~(a) all Aggregate Proceeds which are not allocated to Investments during the Investment Period and/or which are received after the Investment Period, will be allocated entirely to Investors until such time as Investors have received an aggregate amount of the Company's Funds plus the Hurdle;~~

- (b) ~~following the receipt by Investors of all Aggregate Proceeds equal to the aggregate amount of Company's Funds plus the Hurdle, the Investment Manager or its Associate is entitled to all further Aggregate Proceeds until it has received an amount equal to 25% of the Hurdle; and~~
- (c) ~~thereafter, Aggregate Proceeds will be allocated 80% to Investors and 20% to the Investment Manager or its Associate.~~

~~Post the Investment Period, unless otherwise resolved by Special Resolution and with the prior written consent of the Investment Manager, the Company is obliged to Distribute all Aggregate Proceeds to Investors within 30 Business Days of the receipt of such Aggregate Proceeds, whether through Distributions, the redemption of Shares or otherwise.~~

FORM OF PROXY
PALLINGHURST RESOURCES LIMITED
(the "Company")
FORM OF PROXY

FOR USE AT THE GENERAL MEETING TO BE HELD ON MONDAY, 26 JUNE 2017 AT 11A.M. (BST) (12P.M. (SAST)).

I/We (FULL NAMES IN BLOCK CAPITALS PLEASE) _____

Of (ADDRESS) _____

being (a) member(s) of the Company appoint the Chairman of the meeting or (see note 1)

as my/our proxy and, on a poll, to vote for me/us on my/our behalf at the General Meeting of the Company to be held at The Old Government House, St Ann's Place, St Peter Port, Guernsey, GY1 2NU on Monday, 26 June 2017 at 11a.m. (BST) (12p.m. (SAST)) and any adjournment thereof.

Please indicate with an 'X' in the spaces provided how you wish your votes to be cast on the resolutions specified.

Special Resolution:	For	Against	Abstain
1. It is hereby resolved that the Pallinghurst Share Plan, Proposed Extension, amended Articles to reflect the new management structure, increase in the amount payable to non-executive directors as fees to a maximum of US\$100,000 each and the general authority to repurchase up to 152,090,526 Ordinary Shares be and is hereby authorised, sanctioned and approved.			

Ordinary Resolution:	For	Against	Abstain
1. It is hereby resolved that the takeover offer to be made by or on behalf of Pallinghurst to acquire the total issued and to be issued share capital of Gemfields not already owned by Pallinghurst be and is hereby approved.			

Subject to any voting instructions so given the proxy will vote, or may abstain from voting, on any resolution as he/she may think fit.

Signature _____

Dated this _____ day of _____ 2017

Notes

1. If you so desire you may delete the words "Chairman of the meeting" and insert the name of your own choice of proxy, who need not be a member of the Company. Please initial such alteration.
2. In order to be valid, the Form of Proxy must be lodged at Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO BOX 61051, Marshalltown, 2107)) not less than two business days before the time for holding the meeting or adjourned meeting, OR lodged at the Company's registered office PO Box 91, c/o Vistra Fund Services (Guernsey) Limited, 11 New Street, St Peter Port, Guernsey, GY1 3EG, Channel Islands, faxed to +44 1481 712167 or emailed to fund.enquiries.gg@vistra.com, not less than two business days before the time for holding the meeting or adjourned meeting.
3. A corporation must execute the Form of Proxy under its common seal or under the hand of an officer or attorney duly authorised.
4. In the case of joint holders, the vote of the senior holder shall be accepted to the exclusion of other joint holders, seniority being determined by the order in which the names stand in the register in respect of the joint holding.

