



# PALLINGHURST

## **PALLINGHURST RESOURCES LIMITED**

(Incorporated in Guernsey)

(Guernsey registration Number: 47656)

(South African external company registration number 2009/012636/10)

Share code on the BSX: PALLRES ISIN: GG00B27Y8Z93

Share code on the JSE: PGL

("Pallinghurst" or the "Company")

## **Successful completion of the compulsory acquisition of Gemfields**

Pallinghurst is pleased to announce the formal completion of the compulsory acquisition of Gemfields plc ("Gemfields") pursuant to the provisions of section 979 of the Companies Act 2006 and that it now owns 100% of the issued share capital of Gemfields.

Accordingly, the Company now has 1,431,685,553 ordinary shares in issue. The total shares allotted include 96,276,146 ordinary shares allotted to the Company via an associate included within the Pallinghurst Group, which is controlled equally by Pallinghurst and three other shareholders.

### **Directors' dealings**

As a result of the completion of the compulsory acquisition process, shareholders are advised that the following entity received interests in Pallinghurst ordinary shares as a result of the Offer, which is notifiable by virtue of being a transaction in Pallinghurst shares by Directors of the Company:

| <b>Name of Associate</b>  | <b>Details of the transaction</b>  |
|---------------------------|--|
| Autumn Holdings Asset Inc | <p>Brian Gilbertson and Sean Gilbertson hold an interest in Autumn Holdings Asset Inc which in turn held 988,079 Gemfields Shares. These shares were compulsorily acquired by Pallinghurst.</p> <p>On 29 September 2017, 1,887,230 new Pallinghurst shares, with a total value of R6,510,943.50 were issued to settle the above Gemfields shares compulsorily acquired.</p> <p>The nature of interest is indirect, beneficial.</p> |

## Directors' shareholdings

The current shareholdings of all Pallinghurst Directors in the share capital of Pallinghurst are as follows:

| Director                            | Position                           | Direct interest | Indirect interest | Total interest |
|-------------------------------------|------------------------------------|-----------------|-------------------|----------------|
| Brian Gilbertson <sup>1, 2, 3</sup> | Chairman                           | -               | 26,148,899        | 26,148,899     |
| Arne H. Frandsen <sup>1</sup>       | Chief Executive                    | 5,097,129       | -                 | 5,097,129      |
| Andrew Willis <sup>1, 4</sup>       | Finance Director                   | 2,446,054       | -                 | 2,446,054      |
| Sean Gilbertson <sup>1, 2, 3</sup>  | Executive Director - Gemstones     | 4,748,536       | -                 | 4,748,536      |
| Dr Christo Wiese <sup>5</sup>       | Non-Executive Director             | -               | 162,593,107       | 162,593,107    |
| Kwape Mmela                         | Independent Non-Executive Director | -               | 8,325,334         | 8,325,334      |
| Martin Tolcher                      | Independent Non-Executive Director | -               | -                 | -              |
| Lumkile Mondli                      | Independent Non-Executive Director | -               | -                 | -              |
| Erich Clarke                        | Independent Non-Executive Director | -               | -                 | -              |

<sup>1</sup> Brian Gilbertson, Arne H. Frandsen, Andrew Willis, Sean Gilbertson and former Director, Priyank Thapliyal, together hold all of the interests in Pallinghurst (Cayman) Founder L.P. which in turn holds 10,296,964 Pallinghurst shares via Fabergé Conduit Limited.

<sup>2</sup> Brian Gilbertson holds an interest in Autumn Holdings Asset Inc, (a company in which immediate members of Brian's family, including Sean Gilbertson, also hold interests) which in turn holds 1,887,230 Pallinghurst shares.

<sup>3</sup> Pallinghurst Resources Management L.P., a limited partnership in which Brian Gilbertson holds a 25% interest and Sean Gilbertson holds a 50% interest, is entitled to 3,030,652 Pallinghurst shares, however, these shares have not yet been claimed following the compulsory acquisition of Gemfields.

<sup>4</sup> Andrew Willis holds an additional interest in Pallinghurst through a Contract for Difference (CFD) over 34,380 shares and not directly in Pallinghurst shares.

<sup>5</sup> Included in Dr Wiese's shareholding are 2,204,700 Pallinghurst shares, held by members of Dr Wiese's immediate family.

## Share option plan

The Pallinghurst Share Plan was approved by shareholders on 26 June 2017 and as detailed in the Circular, share options were awarded at a R3.45 strike price to each of the Company's five Executive Directors. Priyank Thapliyal elected not to take up any share options and therefore the share options awarded to the Executive Directors are as follows:

|                        |   |
|------------------------|---|
| Director:              | Brian Gilbertson  |
| Date of transaction:   | 14 September 2017   |
| Nature of transaction: | Acceptance of employee share options (of which 1/5 <sup>th</sup> vested immediately and then annually over the next 4 years) <sup>1</sup> |
| Number of securities:  | 27,890,213  |
| Class of securities:   | Ordinary shares   |

Option strike price: ZAR3.45  
Value of transaction: ZAR96,221,234.85  
Nature of interest: Direct beneficial  
Expiry date: 14 September 2024  
Clearance obtained: Yes

<sup>1</sup> Brian Gilbertson will become the Company's non-executive Chairman from 31 December 2017 and therefore will forego his right to 22,312,170 share options i.e. all share options other than the 5,578,043 share options which vested immediately upon grant.

Director: Arne H. Frandsen  
Date of transaction: 14 September 2017  
Nature of transaction: Acceptance of employee share options (of which 1/5<sup>th</sup> vested immediately and then annually over the next 4 years)  
Number of securities: 27,890,213  
Class of securities: Ordinary shares  
Option strike price: ZAR3.45  
Value of transaction: ZAR96,221,234.85  
Nature of interest: Direct beneficial  
Expiry date: 14 September 2024  
Clearance obtained: Yes

Director: Andrew Willis  
Date of transaction: 14 September 2017  
Nature of transaction: Acceptance of employee share options (of which 1/5<sup>th</sup> vested immediately and then annually over the next 4 years)  
Number of securities: 27,890,213  
Class of securities: Ordinary shares  
Option strike price: ZAR3.45  
Value of transaction: ZAR96,221,234.85  
Nature of interest: Direct beneficial  
Expiry date: 14 September 2024

Clearance obtained: Yes

Director: Sean Gilbertson

Date of transaction: 14 September 2017

Nature of transaction: Acceptance of employee share options (of which 1/5<sup>th</sup> vested immediately and then annually over the next 4 years)

Number of securities: 27,890,213

Class of securities: Ordinary shares

Option strike price: ZAR3.45

Value of transaction: ZAR96,221,234.85

Nature of interest: Direct beneficial

Expiry date: 14 September 2024

Clearance obtained: Yes

In compliance with schedule 14.9 and paragraphs 3.63 – 3.69 of the JSE Listings Requirements, the following information is disclosed by the Company, unless stated otherwise above:

- The transactions were completed off-market
- The issue price of a Pallinghurst share issued in terms of the Offer was R3.45
- The above transactions occurred pursuant to the Offer on the terms approved by Pallinghurst shareholders and where applicable, the requisite clearance to deal was obtained

Guernsey  
22 December 2017  
Sponsor  
Investec Bank Limited