

# BLLENHEIM

Natural Resources Plc

## BLLENHEIM NATURAL RESOURCES PLC

(Incorporated in England and Wales with Company  
number 02956279)

*Directors:*

Chris Ells - *Chairman*

Mark Parker- *Non-Executive Director*

*Registered Office:*

*Hyde Park House*

*5 Manfred Road*

*London*

*SW15 2RS*

20 January 2017

Dear Shareholder,

### **Notice of General Meeting, Placing and Share Buy Back**

I write to confirm that the a General Meeting of the Company to be held on Tuesday 7 February 2017 at 12 noon at 4<sup>th</sup> Floor, 40 Queen Street, London EC4R 1DD.

#### **1. Notice of General Meeting**

The Notice of the General Meeting can be downloaded from the following link:

<http://www.blenheimnaturalresources.com/reports-and-documents/other-documents>

The Notice of the General Meeting will remain on this website until the conclusion of the meeting.

The Form of Proxy can be downloaded from the following link:

<http://www.blenheimnaturalresources.com/reports-and-documents/other-documents>

Please ensure that you use this Form of Proxy if you wish to register your vote.

#### **2. Placing**

On 18 January 2017, the Company announced that, subject to shareholder approval, it had raised £750,000 before expenses through the placing of 214,285,714 ordinary shares of 0.1 pence each in the capital of the Company ("**Ordinary Shares**") at a price of 0.35 pence per share (the "**Placing**").

The net proceeds of the placing will be used by the Company to make further investments in accordance with its investing policy, including to fund the cash consideration, should the Company exercise its the option to acquire a 30 per cent interest in the Dieba exploration permit in Southern Mali, as set out in the Company's RNS dated 18 January 2017. The net proceeds of the Placing will also be used to provide Blenheim with general working capital.

The Company has agreed to grant warrants over Ordinary Shares to subscribers on the basis of one warrant for every Ordinary Share taken up under the Placing, each entitling the holder to subscribe for a further Ordinary Share at a price of 0.65 pence per Ordinary Share (the "**Placing Warrants**"), exercisable at any time for a period of two years from the date of admission of the Placing Shares to trading on the AIM Market of the London Stock Exchange.

In connection with the Placing, the Company has also agreed to issue 10,714,286 warrants, each entitling the holder to subscribe for a further Ordinary Share at an exercise price of 0.35 pence per Ordinary Share, to Cornhill Capital Limited, the Company's joint broker (the "**Broker Warrants**"). The Broker Warrants will be exercisable at any time for a period of three years from the date of issue of Ordinary Shares pursuant to the Placing.

In order to close the Placing, a general meeting is being convened on Tuesday 7 February 2017 to, *inter alia*, grant the directors the authorities to issue and allot 214,285,714 Ordinary Shares and 214,285,714 Placing Warrants pursuant to the Placing and the 10,714,286 Broker Warrants.

### **3. Share Buy Back**

The shareholder authority to buy back the 23,790 deferred shares of £49 each in the capital of the Company (the "**Deferred Shares**") (the "**Share Buy Back**") buy has expired.

The Deferred Shares were issued on or around 15 October 2010 as a consequence of a share consolidation exercise at that time, prior to Blenheim becoming an investing company. The Deferred Shares carry no voting rights and have no economic value. The Board can see no reason for the Deferred Shares to remain on the Company's balance sheet. Accordingly, the Board deem it appropriate, from an administrative perspective, to affect a Share Buy Back so as to more transparently represent the capital structure of Blenheim. If Resolution 5 in the Notice of General Meeting to buy back and cancel the Deferred Shares, for a total aggregate consideration of £1.00, is passed, the carrying value of issued capital of £1,165,710 in respect of these Deferred Shares will be credited to the brought forward balance of non-distributable reserves in the audited accounts as at 30 April 2017.

In order to facilitate the Share Buy Back before 31 December 2017, the Board is seeking the authority of shareholders to enable the Company to purchase all of the Deferred Shares in accordance with the Companies Act 2006 ("**CA 2006**") and on the terms on which the Deferred Shares were issued. The terms of this authority are set out in full in Resolution 5 in the Notice of General Meeting.

Under the provisions of the CA 2006, a public limited company may not fund the purchase of its shares except out of its distributable reserves or the proceeds of a fresh issue of shares made solely for the purpose of such buy back. The Company has no distributable reserves with which to fund the Share Buy Back and therefore it is proposed that the Share Buy Back is funded out of the proceeds of a new issue Ordinary Shares. If Resolution 5 is passed at the General Meeting, further details of the Share Buy Back will be announced in due course.

A copy of the memorandum of contract terms disclosing details of the terms on which the Company is proposing to buy back all the Deferred Shares is attached as an Appendix to this letter.

A copy of the memorandum of contract terms including the names of the members holding Deferred Shares will be made available for inspection at the Company's registered office for at least 15 days ending on the date of the General Meeting, in accordance with section 696 of the CA 2006, and shall be made available for inspection by the Shareholders at the General Meeting.

#### **4. Action to be taken**

**A Form of Proxy for use at the General Meeting can be downloaded from the Company's website (please see link above). The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned, to the Company's registrars, or posted or delivered to Capita Asset Services at PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible, but in any event so as to be received by no later than 12 noon on 5 February 2017. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.**

#### **5. Recommendation**

**The Directors consider the Placing and the buyback of the Deferred Shares to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 9,910,000 Ordinary Shares, representing approximately 5.37% per cent of the existing issued Ordinary Share capital of the Company.**

Yours faithfully,

A handwritten signature in black ink that reads "Chris Ells". The signature is written in a cursive style with a horizontal line under the name.

**Chris Ells**  
Chairman  
**Blenheim Natural Resources Plc**

## **APPENDIX - MEMORANDUM OF CONTRACT TERMS**

The Company shall have the right to purchase, in accordance with the CA 2006 (or any re-enactment thereof) all the Deferred Shares in issue at any time at an aggregate price of £1 out of the profits of the Company which would otherwise be available for distribution or out of the proceeds of a fresh issue of shares. Pending such purchase each holder of Deferred Shares shall be deemed to have irrevocably authorised the Company, at any time:

- (a) to appoint any person to execute (on behalf of the holders of the Deferred Shares) a transfer thereof and/or an agreement to transfer the same for no consideration to the Company or to such a person or persons as the Company may determine as custodian thereof, and
- (b) pending such transfer, to retain the certificate for the Deferred Shares.