

STRAND  
HANSON

26 MOUNT ROW

LONDON W1K 3SQ

TEL +44 (0)20 7409 3494

FAX +44 (0)20 7409 1761

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If you have sold or transferred all of your shares in African Eagle Resources plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. However, the distribution of these documents into certain jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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

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# AFRICAN EAGLE RESOURCES PLC

*Incorporated in England and Wales under the Companies Act 1985*

*(Registration number 3912362)*

*AIM share code: AFE AIM ISIN: GB0003394813*

*JSE share code: AEA JSE ISIN: GB0003394813*

*("the Company")*

## **Proposed Disposal Proposed Adoption of Investing Policy and Notice of General Meeting**

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Notice of a General Meeting to be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF at 9:30 a.m. on Monday 22 July 2013 is set out on page 11 of this document. The action to be taken in respect of the General Meeting is set out at page 9 of this document.

The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Company's relevant registrars by no later than 9:30 a.m. UK time on 18 July 2013 (being 2 business days prior to the General Meeting). Shareholders whose shares are traded on AIM should return the Form of Proxy to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Shareholders whose shares are traded on AltX should return the Form of Proxy to the Transfer Secretaries in South Africa being Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107). The completion and return of the Form of Proxy will not prevent Shareholders from attending and voting in person at the General Meeting, or any adjournment thereof, should they wish to do so.

Strand Hanson Limited ("**Strand Hanson**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in connection with the Disposal. Strand Hanson will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Strand Hanson or for advising any other person in respect of the Disposal or any transaction, matter or arrangement referred to in this document. Strand Hanson's responsibilities as the Company's nominated adviser are owed solely to London Stock Exchange and are not owed to the Company nor to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Strand Hanson by the FSMA or the regulatory regime established thereunder, Strand Hanson accepts no responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Disposal. Strand Hanson disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

## CONTENTS

|  | <b>Page</b>       |
|--|-------------------|
| <b>Expected Timetable of Principal Events</b>                  | 2                 |
| <b>Definitions</b>   | 3                 |
| <b>Letter from the Chairman of African Eagle Resources plc</b> | 5                 |
| <b>Notice of General Meeting</b>                               | 11                |
| <b>Form of Proxy</b>   | Enclosed herewith |

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|   | <b>Time / Date*</b>               |
|---|-----------------------------------|
| Date of this Circular   | 5 July 2013                       |
| Record date to determine Shareholders who are entitled to vote at the General Meeting | Close of business on 17 July 2013 |
| Latest time and date for receipt of Forms of Proxy in the UK and in South Africa      | 9:30 a.m. on 18 July 2013         |
| General Meeting   | 9:30 a.m. on 22 July 2013         |
| Results of General Meeting announced on RNS and SENS                                  | 22 July 2013                      |
| Expected date of completion of the Disposal   | Prior to 31 July 2013             |

\*References to times and dates in this document are to times and dates in London, United Kingdom. If any of the above times and/or dates change, the revised time and/or date will be notified by an announcement released on RNS and SENS.

## DEFINITIONS

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

|                           |  |
|---------------------------|--|
| "AIM"                     | the market of that name operated by the London Stock Exchange plc;   |
| "AIM Rules"               | The AIM Rules for Companies published by the London Stock Exchange plc from time to time;  |
| "AltX"                    | the alternative exchange of the JSE;   |
| "Articles of Association" | the articles of association of the Company;  |
| "Blackdown Minerals"      | Blackdown Minerals Limited, a company incorporated in England and Wales with company number 08584007, a wholly owned subsidiary of the Company;  |
| "Board"                   | the board of directors of the Company from time to time;   |
| "Clarke Family"           | means Nick Clarke together with his family trusts;   |
| "Company"                 | African Eagle Resources plc, a company incorporated in England and Wales with company number 03912362;   |
| "Completion"              | completion of the Disposal in accordance with the terms of the SPA;  |
| "CREST"                   | the system for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the Operator (as defined in the CREST Regulations);   |
| "CREST Regulations"       | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;   |
| "Directors"               | the directors of the Company from time to time, each a "Director";   |
| "Disposal"                | the sale of 90 per cent of the entire issued share capital of Blackdown Minerals to the Purchaser as described more fully on pages 7 and 8 of this document;   |
| "Euroclear"               | Euroclear UK & Ireland Limited;  |
| "Form of Proxy"           | the form of proxy to be used by Shareholders in respect of the General Meeting;  |
| "Funding Condition"       | where (i) the Purchaser (or its group) has, since the date of Completion, incurred and met expenditure of US\$20 million or more on the exploration and development of projects and assets in the business of the Group or the Bankable Feasibility Study in respect of the Dutwa Nickel Project in Tanzania has been completed; and (ii) Blackdown Resources requires additional funding and the Company does not wish to provide any additional funding; |

|   |   |
|---|---|
| <b>"General Meeting"</b>                            | the general meeting of the Company to be held at 9:30 a.m. on Monday 22 July 2013 at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF, notice of which is set out at the end of this document;       |
| <b>"Group"</b>                                      | means, prior to completion of the Disposal, the Company and its subsidiaries and subsidiary undertakings and after completion of the Disposal, Blackdown Minerals and its subsidiaries and subsidiary undertakings (as applicable); |
| <b>"Investing Company"</b>                          | any AIM company which has as its primary business or objective, the investing of its funds in securities, businesses or assets of any description.  |
| <b>"Investing Policy"</b>                           | the investing policy of the Company as described on pages 8 and 9 of this document;   |
| <b>"JSE"</b>  | JSE Limited, a public company duly incorporated under the company laws of South Africa under registration number 2005/022939/06, licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;      |
| <b>"Notice of General Meeting"</b>                  | the notice convening the General Meeting, set out on page 11 of this document;  |
| <b>"Ordinary Shares"</b>                            | the ordinary shares of £0.001 each in the capital of the Company;   |
| <b>"Purchaser"</b>                                  | Blackdown Resources (UK) Limited, a company incorporated in England and Wales with company number 08582203, a subsidiary of Cienega S.a.r.l, which is ultimately owned by the Clarke Family;  |
| <b>"Resolutions"</b>                                | the resolutions to be proposed at the General Meeting;  |
| <b>"RNS"</b>  | the regulatory information service operated by the London Stock Exchange;   |
| <b>"SENS"</b>                                       | the Stock Exchange News Service of the JSE;   |
| <b>"Shareholders"</b>                               | the holders of Ordinary Shares of the Company from time to time, each being a <b>"Shareholder"</b> ;  |
| <b>"Shareholders Agreement"</b>                     | the shareholders agreement to be entered into between the Company, the Purchaser and Blackdown Minerals on Completion in respect of the Disposal;   |
| <b>"SPA"</b>  | the conditional sale and purchase agreement dated 1 July 2013 between the Company and the Purchaser relating to the Disposal; and   |
| <b>"uncertificated" or "in uncertificated form"</b> | being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST.  |

# LETTER FROM THE CHAIRMAN OF AFRICAN EAGLE RESOURCES PLC

## AFRICAN EAGLE RESOURCES PLC

*Incorporated in England and Wales under the Companies Act 1985*

*(Registration number 3912362)*

*AIM share code: AFE AIM ISIN: GB0003394813*

*JSE share code: AEA JSE ISIN: GB0003394813*

Directors:

Dr. Christopher Pointon (*Chairman*)  
Robert McLearn (*Managing Director*)  
Don Newport (*Non-Executive Director*)  
Julian McIntyre (*Non-Executive Director*)  
Paul Rupia (*Non-Executive Director*)

Registered Office:

1<sup>st</sup> Floor,  
6-7 Queen Street,  
London,  
EC4N 1SP

5 July 2013

*To the Shareholders of African Eagle Resources plc and, for information purposes only, the holders of options over Ordinary Shares*

Dear Shareholder

### **Proposed Disposal and Proposed Adoption of Investing Policy Notice of General Meeting**

#### **1. Introduction**

I am pleased to be writing to you with details of the business to be transacted at the General Meeting of the Company (as set out below) which will be held at 9:30 a.m. on Monday 22 July 2013 at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF. The Notice of General Meeting is set out at page 11 of this document in order for Shareholders to approve, amongst others, the proposed sale of 90 per cent. of the issued share capital of Blackdown Minerals, a newly incorporated wholly owned subsidiary of the Company and the holding company of substantially all of the assets and business of the Group, to Blackdown Resources (UK) Limited, a subsidiary of Cienega S.a.r.l which is ultimately owned by Nick Clarke and his family trusts.

The Disposal constitutes a fundamental change of business of the Company pursuant to Rule 15 of the AIM Rules, as it will result in the Company disposing of substantially all of its trading businesses, activities and assets. As a result of the Disposal, the Company will become an Investing Company following Completion.

Shareholders are advised that, subsequent to the nature of the business of the Company changing to an Investing Company, in terms of the JSE Listings Requirements the Company's listing on the AltX may be impacted. Shareholders will be advised of any potential impact in due course.

**Completion of the Disposal is conditional, *inter alia*, on the approval of Shareholders at the General Meeting. The Board is also seeking approval at the General Meeting for its proposed new Investing Policy, details of which are set out below.**

The purpose of this document is to provide you with information on the proposed Disposal and Investing Policy and to explain why the Board considers these arrangements to be in the best interests of the Company and Shareholders as a whole.

#### **2. Background to and reasons for the Disposal**

On 15 May 2013, the Company announced that, following discussions with its major Shareholders and other institutional Shareholders to assess the potential to raise additional equity financing to further progress the Group's projects, investment appetite for the development of nickel laterite projects was limited and the Directors had been unable to identify any source of funding for the Group.

As a result, the Board determined that, in order to preserve the Company's cash position, it would no longer continue to provide funding to its Tanzanian subsidiaries beyond the expenses associated with the renewal and maintenance of the Group's main licences in relation to the Company's nickel assets.

Since this time, the Directors have been taking steps to minimise costs to the Group in order to preserve the Company's cash position and have been engaging in discussions with the Company's major Shareholders and others to consider the strategic options for the Group.

In the Chairman's statement in the annual financial statements, for the year ended 31 December 2012, it was stated that the Board had decided to progress three initiatives:

- to continue to seek a purchaser for the Dutwa assets, with the consideration being in cash and/or a carried interest;
- to recover any value possible from the Miyabi JV and other non-Dutwa assets via a sale of our interest for cash or equity; and
- to maintain the AIM-listed plc with a view to seeking new investment opportunities in the natural resources and related sectors, thereby retaining a possibility of securing some upside for Shareholders.

The alternative option to the Company was to liquidate the Tanzanian assets and return any residual cash in the Company to Shareholders via a members' voluntary liquidation. This option was rejected by the Board for two reasons; firstly the expected residual cash in the Company after closing out all business issues and the cost of liquidation was considered unlikely to be significant in terms of cash per share. Secondly, following discussions with major Shareholders, the Board's view was that the Disposal, which will result in the Company becoming an Investing Company and therefore having the expectation that an injection of new assets into the Company will be forthcoming, whilst not quantifiable now, could (if achieved) potentially offer greater value for Shareholders.

The proposed Disposal and adoption of the Investing Policy represents the culmination of these deliberations and one which the Board has concluded is expected to provide the best opportunity for an enhancement in Shareholder value over the long term. In addition, it removes the Company from its liabilities connected to Blackdown Minerals, including the potential liability in respect of the review of previous tax filings by the Tanzanian Revenue Authority, as announced on 2 April 2013, which will remain with the relevant Tanzanian subsidiary of Blackdown Minerals.

On 26 June 2013, the Company undertook a restructuring of its Group whereby Blackdown Minerals was incorporated as a new subsidiary of the Company, in preparation for its potential sale. Blackdown Minerals is the holding company for substantially all of the assets and business of the Group, including but not limited to the Group's licences in respect of the Dutwa Nickel project, the Zanzui Nickel and Cobalt project, its licences in respect of Igurubi and Msasa as well as the 50 per cent. interest of the Group in the Miyabi gold project in Tanzania. No profits are attributable to these assets. These assets were written down to nil value in the Group's annual financial statements for the year ended 31 December 2012.

Further to the discussions with major Shareholders and other investors mentioned above, the Company announced on 2 July 2013, that it has entered into the SPA with the Purchaser pursuant to which the Company has agreed, subject to certain conditions, to sell 90 per cent. of the issued share capital of Blackdown Minerals to the Purchaser for a total cash consideration of US\$100,000.

Under the terms of the Disposal, the Company will retain a shareholding of 10 per cent. of the issued share capital of Blackdown Minerals.

The Company has a 'free carry' and anti-dilution rights in respect of its 10 per cent. shareholding up until the Funding Condition is met, such that if any shares in Blackdown Minerals are issued, the Company will be issued with a proportionate number of shares to maintain its 10 per cent. shareholding, and the Purchaser will fund (or arrange funding of) the payment for those shares.

The Purchaser, Blackdown Resources (UK) Limited is a subsidiary of Cienega S.a.r.l, a company which is ultimately owned by the Clarke Family.

The Clarke Family is also a Shareholder, holding approximately 3 per cent. of the entire issued share capital of African Eagle Resources Plc.

Nick Clarke went to the Camborne School of Mines graduating with a BSc in Mining and is an entrepreneur having founded and sold two trading house businesses. The Clarke Family companies have recently been investing in

mining related businesses around the world. One current investment by the Clarke Family is a joint venture with Ian Hannam, formerly of JP Morgan and a well-known figure in the mining industry. Ian Hannam has agreed in principle to become involved in the Blackdown Minerals business going forward.

### 3. **Details of the Disposal**

Under the terms of the SPA, the Company has agreed to sell 90 per cent. of the issued share capital of Blackdown Minerals to the Purchaser, for a total cash consideration of US\$100,000. Completion of the Disposal is subject to two conditions:

- (a) approval of the Disposal by the Shareholders; and
- (b) written consent to the Disposal from the relevant mining licensing authority in Tanzania (a requirement under Tanzanian law).

The application for consent from the Tanzanian mining licensing authority is in progress and is expected to be submitted shortly after the date of this document. Although there is no specified time frame for receipt of a response from the relevant Tanzanian licensing authority, the Directors are confident that the consent will be forthcoming.

On Completion, the Company will also enter into the Shareholders' Agreement which shall regulate the relationship between the Company and the Purchaser in respect of their shareholding in Blackdown Minerals in the form normal for a transaction, and resultant shareholder positions, of this nature.

The other material terms of the Disposal, including the terms of the Shareholders' Agreement are:

- the Purchaser has the right to rescind the SPA prior to completion of the Disposal in the event that any of the warranties that the Company provides as to its title to the shares of each member of the Group is incorrect;
- the conditions to completion of the Disposal must be waived or fulfilled by 31 August 2013 (or such later time as agreed between the Company and the Purchaser);
- the Company has provided standard warranties for the benefit of the Purchaser in relation to the business of the Group;
- the Company has limited its liability under the Disposal to a maximum aggregate amount of US\$100,000 (excluding costs and expenses);
- the Company has agreed to standard restrictions on the conduct of its business between signing the SPA and completion of the Disposal;
- the Company is entitled to nominate a director to the board of Blackdown Minerals for so long as it holds 10 per cent. of its issued share capital;
- from completion of the Disposal until the Funding Condition is met, Blackdown Minerals will be restricted from carrying out certain activities without approval from the Company, including the issue of new shares;
- Blackdown Minerals will be restricted from carrying out certain activities without approval of 91 per cent. of its shareholders, including significant disposals of its assets and the payment of dividends;
- the Company has a 'free carry' and anti-dilution rights up until the Funding Condition is met, such that if any shares in Blackdown Minerals are issued, the Company will be issued with a proportionate number of shares to maintain its 10 per cent. shareholding, and the Purchaser will fund (or arrange funding) of payment for those shares;
- the Company has the right to require the Purchaser to acquire its entire shareholding within one year of the Funding Condition being met (at a price to be agreed between the parties and, if no agreement is reached, at the open market price of the shares agreed by an expert); and

- neither the Company nor the Purchaser can transfer their shares in Blackdown Minerals without first offering those shares to the other shareholder (except to the extent that the tag along provisions contained in the articles of association of Blackdown Minerals are followed).

The Directors intend to use the US\$100,000 cash consideration received by it for general working capital purposes, including, *inter alia*, to fund the expenses that it has incurred in executing the Disposal.

#### 4. **The Company's operations following the Disposal**

On completion of the Disposal, the assets (other than cash) that the Company will hold will be its 10 per cent. retained interest in Blackdown Minerals, 533,333 shares in Kibo Mining Plc and 9,050,000 shares in Elephant Copper Ltd. The Company intends to retain its shareholding in Blackdown Minerals until such time as the Directors deem it to be in the best interests of Shareholders to dispose of them; however the Directors currently have no such intention to do so. As at 1 July 2013, the Company had cash of £567,144.

The Company intends to use the funds that become available to it following Completion for general working capital purposes, including *inter alia*, to meet its costs arising out of the Disposal and to pursue the proposed Investing Policy until such time as it can make investments in accordance with the proposed Investing Policy, further details of which are set out in paragraph 5 below.

The Directors consider that it is in the best interests of the Company and its Shareholders to proceed with the Disposal to provide greater opportunities to generate capital for the Company and to remove from the Company its liabilities connected to Blackdown Minerals, including the potential liability in respect of the review of previous tax filings by the Tanzanian Revenue Authority, as announced on 2 April 2013, which will remain with the relevant Tanzanian subsidiary of Blackdown Minerals

On completion of the Disposal, the Company will be re-classified as an Investing Company under the AIM Rules as, by virtue of the Disposal, the Company is disposing of "substantially all of its trading business, activities or assets". An "Investing Company" is a company which has, as its primary business or objective, the investing of its funds in securities, businesses or assets, and is also subject to additional regulation under the AIM Rules.

An Investing Company is required to produce an investing policy which describes the policy that it will follow in relation to asset allocation and risk diversification, and that policy must be approved by Shareholders. Details of the Company's Investing Policy are set out below.

#### 5. **Investing Company and Investing Policy**

The Board has determined that the Company's Investing Policy will be to seek opportunities in the natural resources, infrastructure and services sectors located in all geographic regions.

The Company's objective is to generate an attractive rate of return for Shareholders, by taking advantage of opportunities to invest in the natural resources, infrastructure and services sectors. There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions, or in just one investment, which is likely to be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules.

The Company will seek investment opportunities to exploit rights to natural resources or interests in infrastructure and services sectors worldwide, which the Directors believe are undervalued or present significant growth opportunities and where one or more such transactions have the potential to create value for Shareholders. This may be achieved through acquisitions, partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company or project.

The strategy of the Company will be to leverage the contacts of the Board to investigate the current opportunities available to it, with a view to identifying appropriate target investments in the natural resources or infrastructure and services sectors with some or all of the following characteristics:

- a strong management team;
- significant growth prospects;
- the probable benefits of achieving enhanced potential from access to additional working capital; and
- the likelihood of benefits accruing from being part of a group with publicly traded shares.

The Directors' preference is to acquire 100 per cent. of any potential target investment in order to obtain the full benefit of their growth prospects. However, equity interests of less than 100 per cent. will be considered if the opportunity is compelling.

The Company's Investing Policy is intended to be long-term, but if circumstances, arise whereby an acquired business or company may be floated in its own right, or disposed of at a suitable premium, such opportunities will be considered.

Under the AIM Rules, the Company is required to make an acquisition or acquisitions which constitute a reverse takeover under the AIM Rules or otherwise implement its Investing Policy within 12 months of the date of the General Meeting, failing which the Ordinary Shares would be suspended from trading on AIM in accordance with AIM Rule 40.

If the Company's Investing Policy has not been implemented within 18 months of the date of the General Meeting then the admission to trading on AIM of the Ordinary Shares would be cancelled and the Directors will convene a general meeting of the Shareholders to consider whether to continue seeking investment opportunities or to wind up the Company and distribute any surplus cash back to Shareholders.

#### **6. Board composition following the Disposal**

As announced on 24 June 2013, Trevor Moss stepped down as Chief Executive Officer of the Company with effect from 28 June 2013 and Robert McLearn was appointed to the Board as interim Managing Director with effect from 24 June 2013.

The Directors will review the composition of the Board on an ongoing basis and intend to appoint additional new executive and/or non-executive directors at appropriate stages in the Company's development.

#### **7. General Meeting**

A notice of General Meeting is set out at the end of this document convening the General Meeting to be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF at 9:30 a.m. on Monday 22 July 2013 at which resolutions will be proposed to:

- (a) approve by ordinary resolution the disposal of 90 per cent. of the entire issued share capital of Blackdown Minerals Limited subject to the conditions to the SPA and that the Directors be authorised to take all such steps as any of them may consider necessary or desirable to implement and give full effect to the intentions of the parties under the SPA (including agreeing any amendments or waiver or variation of the terms and conditions of the SPA as they may, in their sole discretion deem fit, appropriate or necessary); and
- (b) approve by ordinary resolution, the adoption of the Company's Investing Policy and that the Directors be authorised to take all such steps as any of them may consider necessary or desirable to implement the Investing Policy.

#### **8. Action to be taken**

A Form of Proxy is enclosed with this document for use by Shareholders in connection with the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event not later than 9:30 a.m. on 18 July 2013 being 2 business days before the time appointed for holding the General Meeting. Shareholders whose shares are traded on AIM should return the Form of Proxy to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU and Shareholders whose shares are traded on AltX should return the Form of Proxy to the Transfer Secretaries in South Africa being Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107). The completion and return of the Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he wish to do so. Shareholders who hold their shares through a nominee should instruct the nominee to submit the Form of Proxy on their behalf.

9. **Recommendation**

**The Directors consider that the Disposal, the Investing Policy and all Resolutions to be put to the General Meeting are in the best interests of the Company and the Shareholders as a whole and are most likely to promote the success of the Company for the benefit of its Shareholders as a whole.**

**Accordingly, the Directors unanimously recommend that Shareholders vote in favour of all the proposed Resolutions, as the Directors intend to do in respect of their own beneficial shareholdings in the Company.**

The Company has received irrevocable undertakings to vote in favour of the Resolutions to be proposed at the General Meeting from Trevor Moss, Dr Christopher Pointon and Allard Services Limited in respect of a total of 80,468,261 Ordinary Shares which represents 11.57 per cent. of the issued ordinary share capital of the Company as at the date of this document.

Yours sincerely

**Dr. Christopher Pointon**  
*Chairman*

## **NOTICE OF GENERAL MEETING**

### **AFRICAN EAGLE RESOURCES PLC**

*Incorporated in England and Wales under the Companies Act 1985*

*(Registration number 3912362)*

*AIM share code: AFE AIM ISIN: GB0003394813*

*JSE share code: AEA JSE ISIN: GB0003394813*

*("the Company")*

**Notice is hereby given that the General Meeting of African Eagle Resources plc (the "Company") will be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF, United Kingdom on Monday 22 July 2013 at 9:30 a.m. (London, UK time) for the following purposes:**

To consider and, if thought fit, pass Resolution 1 and Resolution 2 (inclusive) as ordinary resolutions:

1. THAT, for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange Plc (the "**AIM Rules**"), the agreement dated 1 July 2013 ("**SPA**") between the Company and Blackdown Resources (UK) Limited in connection with the proposed disposal of 90 per cent. of the entire issued share capital of Blackdown Minerals Limited as described in the circular to shareholders issued by the Company on 5 July 2013 ("**Circular**") be approved and that the directors of the Company (the "**Directors**") be authorised to do all such things as they may consider necessary, desirable or expedient to implement such agreement in accordance with its terms (including, without limitation, agreeing any amendments or waiver or variation of the terms and conditions of the SPA as they may, in their sole discretion deem fit, appropriate or necessary); and
2. THAT, conditional upon the passing of Resolution 1, the investing policy of the Company as described on pages 8 and 9 of the Circular be approved for the purposes of Rule 15 of the AIM Rules and that the Directors of the Company be authorised to take all such steps as they may consider necessary or desirable to implement the same.

#### **By order of the Board**

Will Slack

*Company Secretary*

5 July 2013

Registered Office:  
1<sup>st</sup> Floor  
6-7 Queen Street  
London EC4N 1SP  
United Kingdom

## Notes:

1. As a shareholder of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may not appoint more than one proxy to exercise rights attached to any one share.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you give no voting indication, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. For shareholders whose shares are traded on AIM, to appoint a proxy you must:
  - (a) Ensure that the attached proxy form is completed, signed and sent to Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom; or
  - (b) Register electronically by logging onto [www.capitaregistrars.com](http://www.capitaregistrars.com). Full details of how to register are given on that website.

Your proxy appointment must be received by Capita Registrars no later than 9:30 a.m. (London, UK time) on 18 July 2013.

7. For shareholders whose shares are traded on AltX, to appoint a proxy you must ensure that the attached proxy form is completed, signed and sent to the Transfer Secretaries in South Africa being Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107). Your proxy appointment must be received by Transfer Secretaries in South Africa being Computershare Investor Services Proprietary Limited no later than 9:30 a.m. (London, UK time) on 18 July 2013.
8. In the case of a shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of shareholders in respect of the joint holding (the first-named being the most senior).
11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
12. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.
13. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of shareholders in order to have the right to attend and vote at the General Meeting is close of business (London, UK time) on 17 July 2013. Changes to entries on the register of shareholders after that time will be disregarded in determining the right of any person to attend or vote at the Meeting.