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If you have sold or otherwise transferred all of your registered holding of Existing Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document does not contain an offer of transferable securities to the public within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) (“FSMA”) and does not constitute a prospectus within the meaning of section 85 of FSMA. The Existing Ordinary Shares have not been, and the new Ordinary Shares will not be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada, no document has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission, and no registration statement has been, or will be, filed with the Japanese Ministry of Finance, in each case in relation to the Issue, the Existing Ordinary Shares or the new Ordinary Shares. Subject to certain exceptions, neither the Existing Ordinary Shares, nor the new Ordinary Shares may, directly or indirectly, be offered or sold within the United States or the Excluded Territories or offered or sold to a person within the United States or the Excluded Territories. The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Directors, whose names appear on page 6 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge 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.

The Existing Ordinary Shares are admitted to trading on AIM. Application will not be made to the London Stock Exchange for the Convertible Loan Notes to be admitted to trading on AIM. Application to the London Stock Exchange will be made for the CLN Shares to be admitted to trading on AIM, assuming exercise of the conversion rights in accordance with the terms of the Loan Note Instrument.

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## **HAMBLEDON MINING PLC**

*(incorporated in England and Wales under the Companies Act 1985 with registered number 05048549)*

### **Issue of Convertible Loan Notes to raise £17,250,000 and Notice of General Meeting**

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Strand Hanson Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in relation to the transaction referred to in this document. The responsibilities of Strand Hanson Limited as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any person. Persons receiving this document should note that Strand Hanson Limited will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person on the arrangements described in this document. Strand Hanson Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by it for the accuracy of any information or opinions contained in this document or for the omission of any information.

**This document does not constitute or form part of any offer, invitation or solicitation to purchase, subscribe for or sell any Convertible Loan Notes, Ordinary Shares or any other securities in the Company or to otherwise engage in any investment activity nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefore. This document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been, and will not be, approved by or filed with the Financial Conduct Authority.**

Your attention is drawn to the letter from the Company which is set out in Part I of this document which contains the unanimous recommendation of the independent directors, being Ashar Qureshi and Bill Trew, that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company, to be held at the offices of Gowlings (UK) LLP, 125 Old Broad Street, London, EC2N 1AR at 11.00 a.m. on 23 October 2013, to propose the Resolutions, is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the General Meeting. Shareholders are urged to complete and return the enclosed Form of Proxy as soon as possible, whether or not they intend to be present at the General Meeting, which to be valid should be completed and returned to Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands B63 3DA in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by Neville Registrars Limited not later than 11.00 a.m. on 21 October 2013. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish. In accordance with the AIM Rules for Companies, this document will be available free of charge on the Company's website at [www.hambledon-mining.com](http://www.hambledon-mining.com).

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Hambledon Mining plc, and certain plans and objectives of the Board of the Company. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the Board of the Company in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. The Board of the Company assumes no obligation to update or correct the information contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required. The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company or any of its operations except where expressly stated. **An investment in the Company involves a high degree of risk and could lead to some or the whole of the investment being lost.**

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## KEY STATISTICS

Number of Existing Ordinary Shares in issue as at the date of this document	979,721,513
Nominal value of the Convertible Loan Notes	£17,250,000
Interest rate (per annum) of the Convertible Loan Notes	LIBOR + 7 per cent
Conversion price of the Convertible Loan Notes	3 pence
Conversion premium of the Convertible Loan Notes	58 per cent <sup>(1)</sup>
Amount repayable (including accrued but unpaid interest) on the Redemption Date	c. £23,734,000 <sup>(2)</sup>
Number of CLN Shares to be issued on Conversion on the Redemption Date	c. 791,128,000 <sup>(2)(3)</sup>
Enlarged Share Capital immediately following Conversion on the Redemption Date	c. 1,770,850,000 <sup>(2)(4)</sup>
Percentage of Enlarged Share Capital represented by the CLN Shares immediately following Conversion on the Redemption Date	45 per cent <sup>(2)(4)</sup>

(1) As compared with the Company's closing share price on 03 October 2013 (being the latest practicable date prior to the publication of this document).

(2) Assumes the accrual of interest over the five year term and that LIBOR remains at its current rate of 0.5175 per cent.

(3) Assumes that all the Convertible Loan Notes (including accrued but unpaid interest over the five year term) are converted into CLN Shares on the Redemption Date.

(4) Assumes that all the Convertible Loan Notes (including accrued but unpaid interest over the five year term) are converted into CLN Shares on the Redemption Date and that no other issues of shares by the Company take place following the date of this document.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Issue, date of this document and posting of this document and the Forms of Proxy 4 October 2013

Latest time and date for receipt of completed Forms of Proxy 11.00 a.m. on 21 October 2013

General Meeting 11.00 a.m. on 23 October 2013

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service. References to time in this document are to London time. The timetable above assumes that the Resolutions are passed at the General Meeting.

If you have any questions on how to complete the Form of Proxy, please contact Neville Registrars Limited on telephone number 0121 585 1131 or +44 121 585 1131 from outside the UK. This helpline is open from 9.00 a.m. to 5.00 p.m. on Business Days (i.e. Monday to Friday). Please note that calls to the helpline cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any legal, financial or taxation advice.

The Company's ISIN code is GB00B015PT76.

## DIRECTORS, COMPANY SECRETARY AND ADVISERS

<b>Directors</b>	Aidar Assaubayev ( <i>Chief Executive Officer</i> ) Ashar Qureshi ( <i>Non-Executive Director</i> ) Bill Trew ( <i>Non-Executive Director</i> )
<b>Company secretary</b>	Rajinder Basra ( <i>Chief Financial Officer</i> )
<b>Registered office</b>	28 Eccleston Square London SW1V 1NZ
<b>Kazakhstan office</b>	10 Novostroyevskaya Sekisovskoye Village Kazakhstan
<b>Nominated adviser and broker</b>	Strand Hanson Limited 26 Mount Row London W1K 3SQ
<b>Solicitors to the Company</b>	Gowlings (UK) LLP 15th Floor 125 Old Broad Street London EC2N 1AR
<b>Registrars</b>	Neville Registrars Limited 18 Laurel Lane Halesowen West Midlands B63 3DA

## DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended from time to time)
“Admission”	admission of the CLN Shares to trading on AIM
“AIM”	a market operated by London Stock Exchange
“AIM Rules”	the rules for companies with a class of securities admitted to AIM and their nominated advisers governing the admission to and operation of AIM as published by the London Stock Exchange from time to time
“Acquisition”	the acquisition of certain historic geological information pertaining to the Karasuyskoye ore fields from Hydrogeology LLP
“Business Day”	a day not being a Saturday or a Sunday or a bank or public holiday in England on which clearing banks are open for business in the City of London
“Noteholder”	a holder of Convertible Loan Notes from time to time
“CLN Shares”	the new ordinary shares of 0.1 pence each in the capital of the Company to be issued and allotted to a Noteholder in the event of Conversion
“City Code” or “Takeover Code”	the City Code on Takeovers and Mergers
“Company”	Hambledon Mining plc, a company incorporated in England and Wales with registered number 05048549, whose registered office is at 28 Eccleston Square, London, SW1V 1NZ
“Conversion”	conversion of the Convertible Loan Notes (including any accrued but unpaid interest payable thereon) into CLN Shares following exercise by the Company or a Noteholder of the conversion rights in accordance with the terms and conditions of the Loan Note Instrument
“Convertible Loan Notes”	the £17,250,000 unsecured convertible loan notes of the Company created and constituted on the terms of the Loan Note Instrument, with the rights described in Part II of this document
“CPR”	competent person’s report
“Directors” or “Board”	the directors of the Company whose names are set out on page 6 of this document, or any duly authorised committee thereof
“Enlarged Share Capital”	the entire issued share capital of the Company assuming full Conversion
“Existing Ordinary Shares”	the 979,721,513 ordinary shares of 0.1 pence each in the capital of the Company in issue as at the date of this document
“Excluded Territories”	Australia, New Zealand, the United States, Canada, the Republic of Ireland, Japan and the Republic of South Africa, and/or their respective territories or possessions
“Form(s) of Proxy”	the form(s) of proxy for use in connection with the General Meeting accompanying this document
“FCA”	the Financial Conduct Authority
“General Meeting”	the general meeting of the Company to be held at the offices of Gowlings (UK) LLP, 125 Old Broad Street, London, EC2N 1AR at 11.00 a.m. on 23 October 2013 (or any adjournment thereof) to approve the Resolutions, notice of which is set out at the end of this document
“Group”	the Company, its subsidiaries and its subsidiary undertakings

<b>“Issue”</b>	the issue of the Convertible Loan Notes by the Company to African Resources Limited, a 50.86 per cent shareholder in the Company
<b>“LIBOR”</b>	the London Interbank Offered Rate being the index compiled for the British Banker’s Association giving an average rate at which a leading bank can obtain unsecured funding for a given period in a given currency in the London market
<b>“Loan Note Instrument”</b>	the loan note instrument of the Company constituting the Convertible Loan Notes to be executed by the Company
<b>“London Stock Exchange”</b>	London Stock Exchange plc, its subsidiaries and its subsidiary undertakings
<b>“MINT”</b>	the Ministry of Industry and New Technologies in Kazakhstan
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting, a copy of which is set out at the end of this document
<b>“Ordinary Shares”</b>	the Existing Ordinary Shares and, once allotted, the CLN Shares
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“Partial Offer”</b>	the recommended cash only partial offer pursuant to which African Resources Limited offered to acquire up to 60 per cent of the existing and to be issued shares of the Company (when aggregated with the Company shares already held by African Resources Limited and by persons acting in concert with African Resources Limited)
<b>“Partial Offer Document”</b>	the full terms and conditions of the Partial Offer and the procedures for voting for and accepting the Partial Offer set out in the partial offer document dated 2 November 2012
<b>“Prospectus Rules”</b>	the Prospectus Rules published by the FCA
<b>“Redemption Date”</b>	the latest date of redemption or Conversion of the Convertible Loan Notes in accordance with the terms and conditions of the Loan Note Instrument, being 4 October 2018
<b>“Resolutions”</b>	the resolutions set out in the Notice of General Meeting and “Resolution” shall mean any one of them
<b>“Shareholders”</b>	the holders of Ordinary Shares from time to time
<b>“subsidiaries” and “subsidiary undertakings”</b>	have the meaning set out in section 1162 of the Act
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“£” and “p”</b>	respectively pounds and pence sterling, the lawful currency of the United Kingdom

**PART I**  
**LETTER FROM THE COMPANY**  
**HAMBLEDON MINING PLC**

*(incorporated in England and Wales with registered number 05048549)*

*Directors:*

Aidar Assaubayev (*Chief Executive Officer*)  
Ashar Qureshi (*Non-Executive Director*)  
Bill Trew (*Non-Executive Director*)

*Registered office:*

28 Eccleston Square  
London  
SW1V 1NZ

Dear Shareholder,

**Issue of Convertible Loan Notes to raise £17,250,000 and Notice of General Meeting**

**1. Introduction**

As disclosed in the announcement on 4 October 2013, the Company has raised £17.25 million (before expenses) through the issue of Convertible Loan Notes to African Resources Limited. The net proceeds of the Convertible Loan Notes, together with the Company's existing cash resources, have been applied towards the acquisition of certain historic geological information pertaining to the Karasuyskoye ore fields (the "Karasuyskoye Ore Fields") for a total consideration of US\$27.5 million (c. £17 million) (the "Consideration"). The Karasuyskoye Ore Fields are an advanced exploration project covering an area of approximately 198 km<sup>2</sup> and are adjacent to the Company's current concessions and production facilities.

Application will not be made to the London Stock Exchange for the Convertible Loan Notes to be admitted to trading on AIM. Application will, however, be made to the London Stock Exchange for the CLN Shares to be admitted to trading on AIM in the event that Conversion occurs.

The allotment of any CLN Shares under the Convertible Loan Note is conditional upon, amongst other things, the Directors obtaining appropriate Shareholder authorities at the General Meeting to issue and allot the CLN Shares and to disapply pre-emption rights which would otherwise apply on the issue and allotment of the CLN Shares in the event that Conversion occurs.

The purpose of this document is to provide you with information about the background to and the reasons for the Acquisition, Issue and proposed shareholder authorities to facilitate Conversion and to explain why the Board considers the Acquisition, Issue and proposed shareholder authorities to facilitate Conversion to be in the best interests of the Company and its Shareholders as a whole and why the independent directors, being Ashar Qureshi and Bill Trew, recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document. **Shareholders are advised to read this document in its entirety and not just Part I.**

**2. Information on Hambledon Mining plc**

The Company was incorporated in February 2004 and in June 2004 was admitted to trading on AIM. The Company's principal activity is the development of the Sekisovskoye gold and silver deposit in the Glubokovsky region of Eastern Kazakhstan under the terms of a licence expiring on 18 July 2020.

Mining, initially mostly of waste, commenced from the Sekisovskoye open pit in June 2006 with the first gold pour occurring in 2008. Today, mining continues from the open pit, in addition to the underground deposit which became operational on time and within budget in mid-June 2013. For the three month period ended 30 June 2013, the Company produced 7,589 ounces of gold, representing a 30 per cent increase in production year on year and a 50 per cent increase over the previous quarter.

The Company is 50.9 per cent owned by African Resources Limited following the completion of the Partial Offer in December 2012. African Resources Limited is beneficially owned by certain members of the Assaubayev family, including Aidar Assaubayev, who is a director and the Chief Executive Officer of Hambledon. Blackwill Trade Limited, a New Zealand registered company, holds a 9.0 per

cent interest in the Company and was historically judged to be acting in concert with African Resources Limited.

### **3. Background to, and reasons for, the Acquisition**

With regards to the Acquisition, Hambledon has entered into an information transfer and sale agreement with Hydrogeology LLP (the “Information Transfer and Sale Agreement”) to acquire certain historical geological information pertaining to the Karasuyskoye Ore Fields which are located adjacent to the Company’s current operations in Kazakhstan.

The Karasuyskoye Ore Fields are an advanced exploration project covering an area of approximately 198 km<sup>2</sup>. Exploration drilling and testing by Hydrogeology LLP, which has been reviewed by Hambledon’s technical team, indicates estimated resources of approximately nine million ounces of gold and in excess of sixteen million ounces of silver.

The Company expects first to use the information acquired under the Acquisition as the basis for an application for the extension of its existing mining licenses, to cover the Karasuyskoye Ore Fields, from MINT. Assuming this extension is granted, and following the completion of limited additional verification work, the Company then expects to engage an external mining consultant to complete a JORC-compliant CPR on the Karasuyskoye Ore Fields.

Following the completion of the CPR, the Company expects to announce its strategy for bringing the Karasuyskoye Ore Fields into production using the cash generated by its existing operations. Initially, this is expected to involve the utilisation of the Company’s existing mining fleet and processing facilities, while the Company completes its medium-term investment programme to expand both fleet and plant.

The total Consideration payable under the Transaction is US\$27.5 million (approximately £17 million). Completion of the Transaction (“Completion”) occurred immediately on execution of the Information Transfer and Sale Agreement and the Consideration will be paid shortly following Completion.

### **4. Overview of the principal terms and conditions of the Convertible Loan Notes**

Hambledon has entered into an agreement with its 50.9 per cent shareholder, African Resources Limited, to finance the Consideration (and related expenses) through the issue to African Resources of five year convertible loan notes of £17.25 million.

The Convertible Loan Notes, which are transferable, will bear interest at a rate equal to three (3) month LIBOR plus seven per cent (7%) margin, which is the same margin as that borne by the Company under its current facility provided by the European Bank for Reconstruction and Development (“EBRD”). Interest will accrue on a daily basis and be payable on redemption or, in shares, on conversion.

The Convertible Loan Notes are convertible, in whole or in part, by a Noteholder into CLN Shares of 0.1 pence each in the Company at a conversion price of 3 pence per share, a premium of approximately 58 per cent to yesterday’s closing price. A Noteholder will also be entitled to require the Company to either: (a) repay the principal amount of the Convertible Loan Notes and accrued interest; or (b) convert the Convertible Loan Notes into CLN Shares on the occurrence of certain specified events described in Part II of this document.

Subject to any conversion rights being exercised by a Noteholder at any time following the passing of the Resolutions, the Convertible Loan Notes will be repayable by the Company on the Redemption Date. The Company may, however, elect to repay the Convertible Loan Notes on any day prior to the Redemption Date, in which case the Company must repay the principal amount together with any accrued but unpaid interest to a Noteholder. Should the Company elect to repay the Convertible Loan Notes on a date earlier than the Redemption Date, the Company must additionally pay an early redemption premium of three per cent (3%) of the principal amount of the Notes to a Noteholder. The Company will also be entitled to convert the Convertible Loan Notes at the Redemption Date.

The Company may also elect to convert the Convertible Loan Notes, in whole or in part, on any day prior to the Redemption Date into CLN Shares at a conversion price of 3 pence per share. Upon early redemption the Company may elect to settle all amounts due in shares at the then prevailing conversion price. In this case, the Company must additionally issue CLN Shares equal to a premium of three per cent (3%) of the principal amount of the Notes to the Noteholder.

The Convertible Loan Notes will be subject to customary anti-dilution protections, for example, on further equity raises. Conversion of the Convertible Loan Notes is subject to the granting of shareholder approval at a general meeting of the Company to be convened on 23 October 2013.

In the event that Conversion occurs, application will be made to the London Stock Exchange for the CLN Shares to be admitted to trading on AIM.

The CLN Shares arising upon conversion of the Convertible Loan Notes will be credited as fully paid and rank *pari passu* with all other Ordinary Shares in issue on the date of Conversion and will carry the right to receive all dividends and other distributions declared after that date.

Additional detail on the principal terms and conditions of the Convertible Loan Notes is contained in Part II of this document.

## **5. Related Party Transaction**

African Resources Limited currently has a 50.9 per cent interest in the existing share capital of the Company. African Resources Limited is beneficially owned by certain members of the Assaubayev family, including Aidar Assaubayev, who is a director and the Chief Executive Officer of Hambledon.

Accordingly, the issue of the Convertible Loan Notes to African Resources Limited constitute a related party transaction in accordance with the AIM Rules for Companies. The independent directors, being Ashar Qureshi and Bill Trew, consider having consulted the Company's nominated adviser, Strand Hanson Limited, that the terms on which the Convertible Loan Notes have been issued to African Resources Limited are fair and reasonable insofar as its Shareholders are concerned.

## **6. Effect of conversion of the Convertible Loan Notes on existing Shareholders**

Assuming no further issues of Ordinary Shares, if the Convertible Loan Notes were to be converted immediately upon granting of shareholder approval, the Company would have an Enlarged Share Capital comprising approximately 1,556,972,000 Ordinary Shares. On this basis, the CLN Shares that would be issued to African Resources Limited would represent approximately 37 per cent of the Company's Enlarged Share Capital, following which African Resources Limited would be interested in approximately 1,075,505,000 Ordinary Shares in aggregate, representing approximately 69 per cent of the Company's Enlarged Share Capital. The interests of the remaining Shareholders would be diluted by approximately 37 per cent.

Assuming no further issues of Ordinary Shares, if the Convertible Loan Notes were to be converted at the Redemption Date, the Company would have an Enlarged Share Capital comprising 1,770,850,000 Ordinary Shares. On this basis, the CLN Shares that would be issued to African Resources Limited would represent approximately 45 per cent of the Company's Enlarged Share Capital, following which African Resources Limited would be interested in approximately 1,289,383,000 Ordinary Shares in aggregate, representing approximately 73 per cent of the Company's Enlarged Share Capital. The interests of the remaining Shareholders would be diluted by approximately 45 per cent.

## **7. The Takeover Code**

Until 30 September 2013, the Company was not subject to the City Code. However, as a result of recent changes in respect of the definition of companies to which the City Code applies, the Company became subject to the City Code, with effect from 30 September 2013.

Under Rule 9 of the City Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, interests in securities which (taken together with securities in which persons acting in concert with him are interested) carry 30 per cent or more of the voting rights of a company which is subject to the City Code, that person is normally required by Panel to make a general offer to the shareholders of that company to acquire their shares. Further, when any person individually, or a group of persons acting in concert, already holds interests in securities which carry between 30 and 50 per cent of the voting rights of a company which is subject to the City Code, that person may not normally acquire further securities without making a general offer to the shareholders of that company to acquire their shares.

As a result of the Partial Offer which was declared unconditional on 23 November 2012, a concert party (as defined in the Partial Offer Document) came into existence comprising African Resources Limited and Blackwill Trade Limited (together the "Concert Party"). African Resources Limited is a company incorporated in the British Virgin Islands and is associated with Aidar Assaubayev.

Blackwill Trade Limited is a company incorporated in New Zealand and is connected with African Resources.

African Resources Limited and Blackwill Trade Limited are considered to be persons acting in concert for the purposes of the City Code in relation to the Company.

African Resources Limited and Blackwill Trade Limited hold 498,254,976 and 88,448,936 Ordinary Shares respectively representing approximately 50.9 per cent and 9.0 per cent respectively, and 59.9 per cent in aggregate, of the existing share capital of the Company. Assuming full conversion at maturity, African Resources Limited would become interested in up to 1,289,383,101 Ordinary Shares and Blackwill Trade Limited would continue to be interested in 88,448,936 Ordinary Shares representing up to 73 per cent and 5 per cent respectively, and up to 78 per cent in aggregate, of the Enlarged Share Capital (assuming conversion occurs upon loan maturity on 4 October 2018 and LIBOR remains constant at 0.52 per cent).

As a result of its existing and potentially enlarged holdings in the Company, the Concert Party will have the ability to exert a significant degree of control over the future conduct of the Company. **Shareholders should be aware that the members of the Concert Party already hold more than 50 per cent of the Company's voting rights and for so long as they continue to be treated as acting in concert may accordingly increase their aggregate shareholding without incurring an obligation under Rule 9 of the City Code to make a general offer to all Shareholders, although individual members of the Concert Party will not be able to increase their percentage holdings through a Rule 9 threshold or between the two Rule 9 thresholds without Panel consent.**

## 8. Key Risks

### *Mint Approvals*

Whilst the Company is confident that it will obtain the necessary regulatory approvals from MINT to commence further exploratory work on the Karasuyskoye Ore Fields, there is no guarantee of this approval being forthcoming. Failure to obtain the approvals from MINT might result in the Company not being able to proceed with the development work on the Karasuyskoye Ore Fields.

### *Financing*

Initially, Hambledon intends to utilise its existing mining fleet and processing facilities to commence small-scale production at the Karasuyskoye Ore Fields. However, further investment will be required by the Company in order to increase production to commercial levels and this investment may require further equity or debt funding which may or may not be forthcoming.

### *Technical breach of EBRD loan conditions*

In 2012, two of the Group's subsidiary companies entered into a loan agreement for an amount of \$10,000,000 with the EBRD. Under the terms of the loan, the Group is required to comply with a number of financial and non-financial covenants. As at 31 December 2012, the Group was in breach of its debt to equity covenant and an application for a waiver has been made. Although no waiver has yet been received, the Directors remain in active dialogue with EBRD regarding the loan and a potential waiver, including the effect of the Convertible Loan Notes. In the event of a waiver not being obtained, the EBRD may, at its option, by notice to the borrowers declare all, or any portion, of the principal and accrued interest on the loan to be either due and payable on demand, or payable without any further notice.

## 9. General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at 11.00 a.m. on 23 October 2013, at the offices of Gowlings (UK) LLP, 125 Old Broad Street, London, EC2N 1AR, at which the following Resolutions will be proposed for the purposes of facilitating the Conversion. The Resolutions also grant the Directors the usual additional authority to allot up to one third of the Company's share capital, ten per cent of which can be allotted on a non pre-emptive basis, at any time prior to the Company's next Annual General Meeting for use in any future fundraisings.

- Resolution 1 – to authorise the Directors, for the purposes of section 551 of the Act, to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company up to a maximum aggregate nominal amount of: (a) £791,200 in connection with the Issue; (b) £326,574 (being approximately one third of the existing share capital of the

Company); and (c) further equity securities of the Company in connection with an offer of such securities by way of rights issue up to an aggregate nominal amount of £653,148 (being approximately one further third of the existing share capital of the Company); and

- Resolution 2 – to disapply statutory pre-emption rights: (a) up to a maximum aggregate nominal amount of £791,200 in connection with the Issue; (b) in connection with an offer of such securities by way of rights issue; and (c) otherwise up to a maximum aggregate nominal amount of £97,972 in accordance with section 571 of the Act.

**Shareholders should note that Resolution 2 is conditional upon the passing of Resolution 1 with the consequence that, if either Resolution 1 or Resolution 2 is not passed, neither African Resources Limited nor the Company may be able to convert under the Convertible Loan Notes.**

#### **10. Irrevocable Undertakings**

The Company has received an irrevocable undertaking from African Resources Limited to vote (or procure the voting) in favour of the Resolutions in respect of a total of 498,254,976 Existing Ordinary Shares, representing 50.9 per cent of the existing issued ordinary share capital of the Company.

#### **11. Recommendation**

**Shareholders should note that, if either Resolution 1 or Resolution 2 is not passed, the Convertible Loan Notes may not be capable of being converted and the Company may have to find an alternative way of redeeming the loan amount. Accordingly, and given the conversion premium, which the independent directors, being Ashar Qureshi and Bill Trew, believe is to the benefit of all current Shareholders, the independent directors unanimously recommend that Shareholders vote in favour of the Resolutions.**

#### **12. Action to be taken**

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions thereon and to return it by post to the Company's registrars, Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA so as to be received as soon as possible, but in any event no later than 11.00 a.m. on 21 October 2013. 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.

Yours faithfully

**Ashar Qureshi**  
*Non-Executive Director*

## PART II

### SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN NOTES

The Company has raised £17.25 million through the issue of 5 year Convertible Loan Notes to African Resources Limited. Pursuant to a resolution of the Board, £17.25 million in nominal amount of convertible unsecured loan stock of the Company has been created and constituted as an unsecured obligation of the Company in accordance with the terms of the Loan Note Instrument. A summary of the principal terms of the Convertible Loan Notes is set out below.

#### 1. Status

No application will be made to any listing authority, stock exchange or other market for the Convertible Loan Notes to be listed or otherwise traded. In the event that Conversion occurs, application will be made to the London Stock Exchange for the CLN Shares to be admitted to trading on AIM.

The Convertible Loan Notes will be freely transferrable in whole and in part by a Noteholder. The registered holder of the Convertible Loan Notes at any given time will be recognised as the absolute owner of them (save where the registered holder is a custodian acting as nominee) and entitled to them free from any equity, defence, set-off or cross-claim on the part of the Company against the original or any intermediate holder of the Convertible Loan Notes.

#### 2. Interest

The Company will pay interest on the principal amount of the Convertible Loan Notes at a rate equal to three (3) months LIBOR plus seven per cent (7%), which subject to early redemption or conversion will be payable on the Redemption Date. Interest will accrue on a daily basis and be payable on redemption or, in shares, on conversion as applicable.

#### 3. Redemption

Subject to any conversion rights being exercised by a Noteholder, the Convertible Loan Notes will be repayable by the Company on the Redemption Date.

The Company may elect to repay the Convertible Loan Notes, in whole or in part, in cash on, or on any day prior to the Redemption Date by giving a Noteholder at least five Business Days prior written notice of its intention to do so, in which case the Company will repay the principal amount, together with any accrued but unpaid interest due on the Convertible Loan Notes as at such date, to a Noteholder. Upon early redemption the Company may elect to settle all amounts due in shares at the then prevailing conversion price. Should the Company elect to repay the Convertible Loan Notes on a date earlier than the Redemption Date, an early redemption premium of 3 per cent (3%) of the principal amount of the Notes will apply.

If, on redemption of the Convertible Loan Notes, a Noteholder fails to deliver the loan note certificate or an indemnity in accordance with the terms of the Convertible Loan Notes or to accept payment of monies due to it, the Company may discharge itself from all further obligations in respect of the Convertible Loan Notes if it pays the monies due to a Noteholder into the last known bank account of a Noteholder.

#### 4. Conversion

The Conversion of the Convertible Loan Notes is conditional upon the Company receiving shareholder authorities for the issue and allotment of such number of shares as would be required to satisfy conversion of the Convertible Loan Notes in full. A Noteholder may, at any time prior to the Redemption Date, serve notice on the Company, requiring that the Convertible Loan Notes plus any accrued but unpaid interest thereon be converted into CLN Shares at a conversion price of 3 pence per CLN Share.

If, at the Redemption Date, the Company has not received notice from the Noteholder, the Company will be entitled to give written notice to the Noteholder that the principal amount of the Notes (together with any accrued but unpaid interest due on the Convertible Loan Notes as at the date of such notice) be immediately converted into CLN Shares at the conversion price of 3 pence per CLN Share.

The Company may elect to convert the principal amount of and all accrued interest under the Convertible Loan Notes, in whole or in part, on any day prior to the Redemption Date, into CLN Shares, at a conversion price of 3 pence per share. In this case, the Company must additionally issue CLN Shares equal to a premium of three per cent (3%) of the principal amount of the Notes to the Noteholder.

In the event of Conversion, application will be made to the London Stock Exchange for the CLN Shares to be admitted to trading on AIM. The new Ordinary Shares arising upon conversion of the Convertible Loan Notes will be credited as fully paid and rank *pari passu* with all other Ordinary Shares in issue on the date of conversion and will carry the right to receive all dividends and other distributions declared after that date.

## **5. Redemption or Conversion on Default**

On the occurrence of an event described below, a Noteholder will be entitled, at its sole discretion, to give written notice to the Company requiring that the principal amount of the Convertible Loan Notes (together with any accrued but unpaid interest due on the Convertible Loan Notes as at the date of such notice) be either: (a) redeemed within five Business Days following the date of such notice; or (b) converted into CLN Shares at the conversion price of 3 pence per CLN Share:

- (a) an administration order is made in relation to the Company; or
- (b) an order is made, or an effective resolution passed, for the winding-up, liquidation, administration or dissolution of the Company (except for the purpose of reorganisation or amalgamation of the Company); or
- (c) the whole or a major part of the assets or undertaking of the Company is subject to an encumbrancer taking possession or the appointment of a receiver or if distress, execution, or other legal process is levied or enforced or sued out on or against the whole or a major part of the assets of the Company and is not discharged, paid out, withdrawn or removed within 60 days; or
- (d) the Company stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business; or
- (e) the Company is deemed to be unable to pay its debts for the purposes of section 123 of the Insolvency Act 1986 or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally; or
- (f) there is an acquisition of a controlling interest in the Company (as defined in section 840 of the Income and Corporation Taxes Act 1988) by any person or persons acting in concert (as defined in the Code); or
- (g) any process or event analogous to those referred to in (a) to (f) (inclusive) above occurs in relation to the Company in a jurisdiction outside of England and Wales.

## **6. Adjustments**

In the event that there is at any time, or by reference to any record date, while the Convertible Loan Notes remain in issue the following:

- (a) any allotment or issue of equity securities by the Company by way of capitalisation of profits or reserves;
- (b) any cancellation, purchase or redemption of equity securities, or any reduction or repayment of equity securities by the Company;
- (c) any sub-division or consolidation of equity securities by the Company; and/or
- (d) any issue of securities or other instruments convertible into shares in, or equity securities of the Company or any grant of options, warrants or other rights to subscribe for, or call for the allotment or issue of, shares in, or equity securities of the Company,

save any issue of equity securities of the Company pursuant to the exercise of options granted to employees or Directors or which are permitted under the Company's articles of association, such adjustment will be made to the number and nominal value of the new Ordinary Shares to be converted as the professional advisors or auditors of the Company for the time being consider necessary.

The effect of such an adjustment will be that, after it has been made and on Conversion, a Noteholder will be entitled to receive the same percentage of the issued share capital of the Company carrying the same proportion of votes exercisable at a general meeting of Shareholders and the same entitlement to participate in distributions of the Company, in each case as nearly as practicable, as would have been the case had no such event occurred (making such reduction or increase as is necessary to the premium, arising on the issue and allotment of CLN Shares on Conversion, and taking into account the price paid to, or consideration received by the Company in connection with such an adjustment event, in particular the difference between such amount and the market value of the CLN Shares).

## NOTICE OF GENERAL MEETING

### **Hambleton Mining plc**

*(incorporated in England and Wales under the Companies Act 1985 with registered number 05048549)*

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Gowlings (UK) LLP, 125 Old Broad Street, London, EC2N 1AR on 23 October 2013 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the resolutions below, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution (each a “**Resolution**”).

### **ORDINARY RESOLUTION**

1. That the Directors be and are hereby generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the “**Act**”), to allot:
  - (a) shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £791,200 in connection with the Issue (as defined in the circular to shareholders of the Company dated 4 October 2013 of which this notice forms part); and, in addition
  - (b) shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £326,574, being approximately one third of the existing share capital of the Company; and, in addition
  - (c) further equity securities of the Company (within the meaning of section 560 of the Act) in connection with an offer of such securities by way of Rights Issue (as defined below) up to an aggregate nominal amount of £653,148,

such authority to replace any and all existing authorities granted to the Directors provided that this authority shall expire 18 months hereafter or, if earlier, at the conclusion of the next annual general meeting of the Company, but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

“**Rights Issue**” means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of ordinary shares in the capital of the Company on the register on a record date fixed by the Directors in proportion as nearly as may be to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical issues arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

### **SPECIAL RESOLUTION**

2. That, in substitution for any and all existing authorities granted to the Directors and subject to and conditional on the passing of Resolution 1 above, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - (a) up to a maximum aggregate nominal amount £791,200 in connection with the Issue (as defined in the Circular);
  - (b) in connection with an offer of such securities by way of a Rights Issue (as defined in Resolution 1 above); and
  - (c) otherwise than pursuant to paragraphs 2(a) and 2(b) above, up to a maximum aggregate nominal amount of £97,972,

and shall expire 18 months hereafter or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

By order of the board  
Ashar Qureshi (*Non-Executive Director*)

Dated: 4 October 2013

*Registered office:*  
28 Eccleston Square  
London  
SW1V 1NZ

## NOTES TO THE NOTICE OF GENERAL MEETING

1. Members entitled to attend, speak and vote at the general meeting may appoint a proxy or proxies to exercise these rights in their place at the general meeting. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint a person other than the Chairman of the meeting as your proxy, insert their full name in the box on your form of proxy. If you sign and return your form of proxy 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 general 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.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank form of proxy and a form of proxy which states the number of shares to which it applies, the specific form of proxy shall be counted first, regardless of whether it was sent or received before or after the blank form of proxy, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank form of proxy. To appoint more than one proxy you must complete a separate form of proxy for each proxy. Members can copy their original form of proxy.
3. The return of a completed form of proxy or any CREST proxy instruction (as described in paragraph 9 below) 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. To be valid, the form of proxy should be completed and returned to Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by not later than 11.00 a.m. on 21 October 2013.
4. To direct your proxy how to vote on the resolutions mark the appropriate box on your form of proxy 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 no voting indication is given, 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.
5. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy and where more than one joint holder has signed the form of proxy or where more than one of the joint holders purports to appoint a proxy, only the signature of or the appointment submitted by the most senior holder will be accepted to the exclusion of other joint holders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
6. In the case of a member which is a company, your form of proxy must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which your form of proxy is signed (or a duly certified copy of such power or authority) must be included with your form of proxy.
8. 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.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this general meeting to be held at 11.00 a.m. on 23 October 2013 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment

of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Neville Registrars Limited (CREST Participant ID: 7RA11), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

10. Only those members entered on the register of members of the Company at 6.00 p.m. on 21 October 2013 or, in the event that the general meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the general meeting in respect of the number of shares registered in their names at that time. Changes to the entries on the register of members after 6.00 p.m. on 21 October 2013 or, in the event that the general meeting is adjourned, in the register of members after 6.00 p.m. on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the general meeting.