

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

If you have recently sold or transferred all of your shares in Herencia 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.

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**HERENCIA RESOURCES PLC**

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 05345029)*

**Proposed Share Capital Consolidation**

**and**

**Notice of Extraordinary General Meeting**

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Notice of the Extraordinary General Meeting of Herencia Resources Plc (the **Company**) to be held at the offices of Bishop & Sewell LLP, 59-60 Russell Square, London WC1B 4HP on Tuesday, 10 December 2019 at 1.30 p.m. is set out on page 8 of this document.

A form of proxy for use at the Extraordinary General Meeting is enclosed and, to be valid, should be completed and returned in accordance with the instructions printed on the form so as to be received by the Company's Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD.

**COMPLETION AND RETURN OF A FORM OF PROXY WILL NOT PREVENT MEMBERS FROM ATTENDING AND VOTING IN PERSON SHOULD THEY WISH TO DO SO.**

## IMPORTANT NOTICE

### Cautionary note regarding forward-looking statements

This Document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this Document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth, strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or regulation or by the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Rules or the London Stock Exchange, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this Document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this Document.

### Important Information to Overseas Shareholders

It is the responsibility of any person receiving a copy of this Document outside the United Kingdom to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith. Persons (including, without limitation, nominees and trustees) receiving this Document should not, in connection with the Consolidation, distribute or send it into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

### References to defined terms

Certain terms used in this Document are defined in the Section of this Document headed “Definitions”. In this Document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom. All times referred to in this Document are references to London time.

### INDICATIVE TIMETABLE

*Posting of the Circular and Form of Proxy*  
21 November 2019

*Latest time and date for receipt of Forms of Proxy*  
1.30 p.m. 8 December 2019

*Extraordinary General Meeting*  
1.30 p.m. 10 December 2019

*Record Date*  
6.00 p.m. 10 December 2019

*CREST accounts credited with New Consolidated Ordinary Shares*  
11 December 2019

*Anticipated date of dispatch of definitive share certificates in respect of New Consolidated Ordinary Shares*  
Week commencing 16 December 2019

### TRANSACTION STATISTICS

*Conversion ratio of Existing Ordinary Shares*  
1000 Existing Ordinary shares of £0.0001 each to 1 New Consolidated Ordinary Share of £0.10 each

*Number of Existing Ordinary Shares of £0.0001 each in issue at close of business on 20 November 2019* 12,363,612,261

*Number of Existing Ordinary Shares of £0.0001 each expected to be in issue immediately prior to the Extraordinary General Meeting* 12,363,612,261

*Expected number of New Consolidated Ordinary Shares of £0.10 each in issue immediately following the Consolidation* 12,363,612

### DEFINITIONS

The following definitions apply throughout this Document and in the accompanying Form of Proxy unless the context requires otherwise:

**“Articles of Association”** the articles of association of the Company from time to time;

**“Board” or “Directors”** Carl Dumbrell, Graham Duncan and Jeff Williams

**“Business Day”** a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England;

**“Company” or “Herencia Resources”** Herencia Resources PLC;

**“Companies Act”** the Companies Act 2006, as amended;

**“Consolidation”** the proposed consolidation of the Company’s ordinary share capital pursuant to which every 1000 Ordinary Shares of £0.0001 each will be consolidated into 1 New Consolidated Ordinary Share of £0.10 pursuant to the Resolution as set out in the Notice of General Meeting;

**“CREST”** the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);

**“Disclosure Guidance and Transparency Rules”** the disclosure guidance and transparency rules made by the FCA in exercise of its functions as competent authority pursuant to Part IV;

**“Document”** this Document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules);

**“Euroclear”** Euroclear UK & Ireland Limited, the operator of CREST;

**“Existing Authorities”** the authorities granted to the Directors to allot Ordinary Shares (including on a non-pre-emptive basis) pursuant to certain of the resolutions to be passed at the 2019 annual general meeting of the Company;

**“Existing Ordinary Shares”** the 12,363,612,261 existing Ordinary Shares of £0.0001 in issue as at the close of business on 20 November 2019;

**“Extraordinary General Meeting”** the Extraordinary General Meeting of the Company to be held at 1.30 p.m. on 10 December 2019 at the offices of Bishop & Sewell LLP, 59-60 Russell Square, London WC1B 4HP;

**“FCA”** the UK Financial Conduct Authority;

**“Form of Proxy”** the form of proxy enclosed with this Document

for use by Shareholders in connection with the General Meeting;

**"Fractional Entitlement"** a fractional entitlement to a New Consolidated Ordinary Share arising on the Consolidation;

**"FSMA"** the Financial Services and Markets Act 2000 (as amended);

**"Group"** the company and its subsidiaries;

**"Notice of General Meeting"** the notice of the Extraordinary General Meeting, which is set out at the end of this Document;

**"Official List"** the Official List of the FCA;

**"Ordinary Shares"** ordinary shares of £0.0001 each in nominal value in the capital the Company prior to completion of the Consolidation;

**"Overseas Shareholders"** Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK;

**"Prospectus Rules"** the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC;

**"Record Date"** 6.00 p.m. on 10 December 2019 (or such other time and date as the Directors may determine);

**"Resolution"** the resolutions to be proposed at the Extraordinary General Meeting, as set out in the Notice of Extraordinary General Meeting included in this Document;

**"Shareholders"** holders of Ordinary Shares whose names appear on the register of members of the Company;

**"Small Shareholders"** Shareholders who hold fewer than 1000 Ordinary Shares at the Record Date;

**"Sterling or £"** the lawful currency of the United Kingdom;

**"United States"** the United States of America, each state thereof, its territories and possessions, and all areas subject to its jurisdiction; and

**"Uncertificated form"** Ordinary Shares recorded on the share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred within the CREST settlement system.

#### Chairman's Letter

Dear Shareholder

#### Extraordinary General Meeting

I am pleased to be writing to you with details of our Extraordinary General Meeting which we are holding at the offices of Bishop & Sewell LLP, 59-60 Russell Square, London WC1B 4HP on Tuesday, 10 December 2019 at 1.30 p.m. The formal notice of Extraordinary General Meeting ("**Notice**") is set out on page 8 of this document.

If you would like to vote on the Resolutions but cannot come to the General Meeting, please fill in the proxy form sent to you with this Notice and return it in accordance with the instructions printed on the form. It must be received by the Company's Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD as soon as possible but, in any event, no later than 1.30 p.m. on 8 December 2019.

An explanation of the business to be considered at the Extraordinary General Meeting appears on pages 13 - 15 of this document.

#### Recommendation

The directors of the Company consider that all the proposals to be considered at the Extraordinary General Meeting are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company. The directors

unanimously recommend that you vote in favour of all the proposed resolutions.

Yours sincerely



Jeff Williams

Non-Executive Chairman

21 November 2019

#### Notice of Extraordinary General Meeting

Notice is hereby given that the Extraordinary General Meeting ("**Meeting**") of Herencia Resources plc (**Company**) will be held at the offices of Bishop & Sewell LLP, 59-60 Russell Square, London WC1B 4HP on Tuesday, 10 December 2019 at 1.30 p.m.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 3 will be proposed as ordinary resolutions.

#### RESOLUTIONS

1. To receive and consider the audited financial statements of the Company for the period ended 31 December 2018 together with the directors' report and the auditors' report thereon.
2. To receive and approve the report on directors' remuneration in the Annual Report and Accounts for the period ended 31 December 2018.
3. **THAT**, with effect from 6.00 p.m. on 10 December 2019 (or such other time and date as the Directors may determine) (the "**Record Date**"), every 1000 existing ordinary shares of £0.0001 each in nominal value in issue as at the Record Date (the "**Existing Ordinary Shares**") in the capital of the Company, be consolidated into one new consolidated ordinary share of £0.10 each in nominal value (the "**New Consolidated Ordinary Shares**") having the same rights and ranking *pari passu* in all respects with the Existing Ordinary Shares, provided that where such consolidation results in any member being entitled to a fraction of a New Consolidated Ordinary Share, such fraction shall be aggregated and the directors of the Company be and are hereby authorised to sell (or appoint another person to sell) such fraction on behalf of the relevant member, save that, where the net proceeds of such sale are less than £5.00, the net proceeds of such sale will be retained for the benefit of the Company

By order of the Board

David Little

Company secretary

Herencia Resources Plc (Company Number 05345029)

21 November 2019

#### Notes to the Notice of General Meeting

#### Entitlement to attend and vote

Only those shareholders registered in the Company's register of members at:

- 1.30 p.m. on 8 December 2019; or,
- if this meeting is adjourned, at 1.30 p.m. on the day two days prior to the adjourned meeting,

shall be entitled to attend, speak and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

#### **Website giving information regarding the meeting**

Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at: <http://herenciaresources.com>.

#### **Attending in person**

If you wish to attend the meeting in person, please arrive at the offices of Bishop & Sewell LLP, 59-60 Russell Square, London WC1B 4HP on Tuesday, 10 December 2019 at least 15 minutes before the scheduled start time of 1.30 p.m.

#### **Appointment of proxies**

If you are a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy, please contact Neville Registrars Limited at the address below or by calling 0121 585 1131. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. Failure to specify the number of shares to which each proxy appointment relates or specifying a number in excess of those held by the shareholder will result in the proxy appointment being invalid. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.

Shareholders can:

- Appoint a proxy or proxies and give proxy instructions by returning the enclosed proxy form by post.
- Register their proxy appointment electronically.
- If a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service.

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 either select the "Discretionary" option or 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.

#### **Appointment of proxy by post**

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;

sent or delivered to, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD; and

- received by Neville Registrars Limited no later than 1.30 p.m. 8 December 2019.

In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

If you have not received a proxy form and believe that you should have one, or if you require additional proxy forms, please contact Neville Registrars Limited at the above address or by calling 0121 585 1131.

#### **Appointment of proxies electronically**

As an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically with Neville Registrars Limited at [www.sharegateway.co.uk](http://www.sharegateway.co.uk) and completing the authentication requirements including the personal proxy registration code as shown on the proxy form. For an electronic proxy appointment to be valid, your appointment must be received by Neville Registrars Limited no later than 1.30 p.m. 8 December 2019.

#### **Appointment of proxies through CREST**

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

For a proxy appointment or instructions made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. 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 Neville Registrars Limited (ID 7RA11) no later than 1.30 p.m. 8 December 2019, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. 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(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) 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 sponsors or voting service providers 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.

#### **Appointment of proxy by joint members**

In the case of joint holders, where more than one of the joint holders completes a proxy appointment, 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 members in respect of the joint holding (the first-named being the most senior).

#### Changing proxy instructions

Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD.

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.

#### Termination of proxy appointment

A shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by:

- Sending a signed hard-copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- The revocation notice must be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD no later than 1.30 p.m. 8 December 2019.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

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.

#### Corporate representatives

A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.

#### Issued shares and total voting rights

As at 6.00 p.m. on 20 November 2019 on, which is the latest practicable date before publication of this notice, the Company's issued share capital comprised 12,363,612,261 ordinary shares of £0.0001 each and 4,266,609,563 deferred shares of £0.0009 each. Each ordinary share carries the right to one vote at an Extraordinary General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 20 November 2019 is 12,363,612,261.

The Company's website will include information on the number of shares and voting rights.

#### Questions at the meeting

Any member attending the meeting has the right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the meeting unless:

- Answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information.

- The answer has already been given on a website in the form of an answer to a question.
- It is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

#### Nominated persons

If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (**Nominated Person**):

- You may have a right under an agreement between you and the shareholder of the Company who has nominated you to have information rights (**Relevant Shareholder**) to be appointed or to have someone else appointed as a proxy for the meeting.
- If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Shareholder to give instructions to the Relevant Shareholder as to the exercise of voting rights.
- Your main point of contact in terms of your investment in the Company remains the Relevant Shareholder (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

The rights relating to proxies set out in note 4 do not apply directly to nominated persons.

#### Voting

Voting on all resolutions will be conducted by way of a poll rather than on a show of hands.

As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also placed on the Company's website.

#### Documents on display

Copies of the service contracts of the executive directors and the non-executive directors' contracts for services are available for inspection at the Company's registered office during normal business hours and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

### Explanation of Resolutions

An explanation of each of the resolutions is set out below. Resolutions 1 to 3 are proposed as Ordinary Resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast must be in favour of the Resolution.

#### Resolution 1: Annual Report and Accounts

The Directors are required to present to shareholders at any General Meeting the Company's audited accounts and the Directors' and Auditor's reports for the period ended 31 December 2018 ("Annual Report and Accounts for the period ended 31 December 2018"). The accounts, the Directors' report and the Auditor's report on the accounts and on those parts of the Directors' remuneration report that are capable of being audited are contained within the Annual Report and Accounts for the period ended 31 December 2018.

#### Resolution 2: Approval of report on Directors' remuneration

The 2006 Act requires quoted companies, at each general meeting at which statutory accounts are to be laid, to propose an ordinary resolution approving the Directors' remuneration report for the year (the 'Remuneration Report'). Under Resolution 2 shareholders are asked to approve the content of the Remuneration Report, a copy of which is included in the Report and Accounts. This vote is advisory in nature and does not affect the actual remuneration paid to any individual Director or require any such amounts to be repaid, reduced or withheld.

### **Resolution 3: Consolidation of the company's ordinary and deferred shares**

#### **Background**

As at 20 November 2019 (being the latest practicable date prior to the publication of this Document), the Company had 12,363,612,261 Existing Ordinary Shares in issue, and deferred shares of 4,266,609,563. This is a significant number of shares for a Company with a market capitalisation of approximately £3 million (as of 20 November 2019, being the latest practicable date prior to the publication of this Document). The Board believes that the Consolidation is necessary in order to increase the marketability of the Company's Ordinary Shares through the creation of a higher price per Ordinary Share.

The Board believes that the Consolidation will result in a capital structure more conducive to attracting new institutional investors based both in the UK and in other overseas jurisdictions. The Board also believes that the Consolidation will increase market liquidity of the Company's shares by reducing the volatility and spread of the Company's shares and make trading in the Company's shares more attractive to a broader range of institutional investors and other members of the investing public, both overseas and in the UK.

The Consolidation will consist of the following steps:

1. a consolidation of every 1000 Existing Ordinary Shares of £0.0001 each into one New Consolidated Ordinary Share of £0.10 each; and
2. the sale of all fractional entitlements arising on the Consolidation.

#### **The Consolidation**

The Board is proposing that the Existing Ordinary Shares are consolidated on a 1000-for-1 basis such that every 1000 Ordinary Shares of £0.0001 each are consolidated into and redesignated as 1 New Consolidated Ordinary Share of £0.10 each.

Unless your holding of Existing Ordinary Shares is exactly divisible by 1000 you will be left with a Fractional Entitlement to the redesignated New Consolidated Ordinary Shares if the Resolution is approved.

Assuming an issued share capital immediately prior to the Extraordinary General Meeting of 12,363,612,261 Ordinary Shares, following the Consolidation it is expected that the Company's issued share capital will consist of approximately 12,363,612 New Consolidated Ordinary Shares.

The Resolution, which is an ordinary resolution, makes provision for the Consolidation.

#### **Sale of Fractional Entitlements**

No Shareholder will be entitled to a fraction of a New Consolidated Ordinary Share. Instead, their entitlement will be rounded down to the nearest whole number of New Consolidated Ordinary Shares. Fractional Entitlements to a New Consolidated Ordinary Share will be aggregated and the whole number of shares will be sold on behalf of the Company for the best price reasonably obtainable. Shareholders holding Fractional Entitlements will receive the net proceeds, after deduction of costs, of their individual fractional entitlements via Neville Registrars (the Company's registrar) subject to retention by the Company of amounts not exceeding £5.00 for each Shareholder.

If a Shareholder holds fewer than 1000 Ordinary Shares as at the Record Date, such that the rounding down process results in a Shareholder being entitled to zero New Consolidated Ordinary Shares, then they will cease to hold any Ordinary Shares (of any description) in the Company. Accordingly, Shareholders currently holding less than

1000 Ordinary Shares who wish to remain a Shareholder of the Company following the Consolidation would need to increase their shareholding to at least 1000 Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice before taking any action.

The Resolution, which is an ordinary resolution, makes provision for the sale of the Fractional Entitlements.

#### **Resulting share capital**

The New Consolidated Ordinary Shares created by the Consolidation will have the same rights as the Ordinary Shares.

Examples of the effect that the Consolidation could have on a Shareholder's holding of Ordinary Shares are set out below:

#### **Example 1 – Small Shareholders**

If a Small Shareholder holds 500 Existing Ordinary Shares at the Record Date, such Small Shareholder will, following the implementation of the Consolidation, hold a Fractional Entitlement (half) to a New Consolidated Ordinary Share. The Small Shareholder will cease to hold any Ordinary Shares and will receive the net proceeds of the sale of their Fractional Entitlement provided that such proceeds exceed £5.00.

#### **Example 2 – other Shareholders**

If a Shareholder holds 1,050 Existing Ordinary Shares at the Record Date, such Shareholder will, following the implementation of the Consolidation, hold 1 New Consolidated Ordinary Share derived from 1,050 Existing Ordinary Shares with the remaining 5 Existing Ordinary Shares forming a Fractional Entitlement of a New Consolidated Ordinary Share (one tenth). The Shareholder will receive the net proceeds of the sale of their Fractional Entitlement provided that such proceeds exceed £5.00.

#### **Rights attaching to the New Consolidated Ordinary Shares**

The New Consolidated Ordinary Shares arising on implementation of the Consolidation will have the same rights as the Existing Ordinary Shares, including voting, dividend and other rights.

#### **Effect on Existing Authorities**

The Existing Authorities which were passed at the 2019 Annual General Meeting of the Company are not affected by the Consolidation since the aggregate nominal value of the total issued share capital will remain unchanged following the Consolidation. As such, the Existing Authorities will remain in effect following the Consolidation.

#### **Share Certificates and CREST**

If you hold a share certificate in respect of your Existing Ordinary Shares it will no longer be valid from the time the proposed Consolidation takes effect. You will be sent a new share certificate within 10 Business Days of Admission and upon receipt thereof should destroy the old certificate(s). If you hold your Existing Ordinary Shares in uncertificated form (that is, in CREST), you should expect to have your CREST account adjusted to reflect your entitlement to New Consolidated Ordinary Shares on 11 December 2019 or as soon as practicable after the Consolidation takes effect. Existing Ordinary Shares credited to any stock account in CREST will be disabled and all Existing Ordinary Shares will be removed from CREST in due course.

#### **United Kingdom Taxation**

The following summary is intended as a general guide only and relates to the UK taxation treatment of the Consolidation. It is based on current UK tax law and the current published HM Revenue and Customs practice applying in the case of those holders of Existing Ordinary Shares who are residents of the UK for tax purposes, are the beneficial owners of those shares and hold them as investments. Certain holders of Ordinary Shares, such as dealers in securities, insurance companies, collective investment schemes and persons who

have acquired their shares by reason of their or another's employment, may be taxed differently and are not considered here.

**Any person who is in any doubt as to his or her tax position, or who is resident, domiciled or otherwise subject to taxation in any jurisdiction other than the UK, should consult his or her financial adviser immediately.**

It is expected that for the purposes of UK taxation on chargeable gains the Consolidation will be treated as a reorganisation of the share capital of the Company. Accordingly, holders of Existing Ordinary Shares should not normally be treated as making a disposal of all or part of their holding of Existing Ordinary Shares by reason of the Consolidation being implemented. The New Consolidated Ordinary Shares which replace their holding of Existing Ordinary Shares as a result of the Consolidation should be treated as being acquired at the same time as their holding of Existing Ordinary Shares was acquired.

To the extent that a Shareholder receives cash by virtue of a sale on his behalf of any New Ordinary Shares to which he or she has a Fractional Entitlement, the Shareholder will not in practice normally be treated as making a part disposal of the Shareholder's holding of Existing Ordinary Shares if the proceeds are "small" as compared with the value of the Existing Ordinary Shares in respect of which such payment arises. However the proceeds will, provided that they do not exceed the acquisition cost of the Shareholder's Existing Ordinary Shares, be deducted from the base cost of the Shareholder's new holding. If those proceeds exceed that base cost, however, the Shareholder will be treated as disposing of part or all of his holding of Existing Ordinary Shares and may, depending on his circumstances, be subject to tax in respect of any chargeable gain thereby realised. HM Revenue and Customs normally treats proceeds as "small" if the amount of the proceeds does not exceed five per cent. of the market value of that Shareholder's Existing Ordinary Shares, or £3,000 (regardless of whether the value of the disposal also passes the five per cent. test).

**Directors' Recommendation and voting intentions**

The Directors believe that the Consolidation is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

Copies of this Document will be available for inspection free of charge during normal business hours on any Business Day at the Company's registered office, Bishop & Sewell LLP, 59-60 Russell Square, London WC1B 4HP from the date of this Document up to and including the date of the General Meeting.

**NOTICE OF AVAILABILITY**

The Notice of Extraordinary General Meeting and Circular to which this Proxy Form relates are available on the Company's website at <https://herenciaresources.com/>

**NOTES TO THE FORM OF PROXY**

- 1 If you wish to appoint some other person as your proxy please insert his/her name, initial and strike out the words 'the Chairman of the Meeting'. A proxy need not be a member of the Company. Appointing a proxy will not preclude you from personally attending and voting at the meeting (in substitution for your proxy vote) if you subsequently decide to do so. If no name is entered, the return of this form, duly signed, will authorise the Chairman of the meeting to act as your proxy.
- 2 Please indicate with an X in the appropriate box how you wish your vote to be cast. Unless otherwise instructed the proxy will exercise his/her discretion as to whether, and if so how he/she will vote. Unless instructed otherwise, the proxy may also vote or abstain from voting as he or she thinks fit on any other business which may properly come before the meeting (including amendments to resolutions). You may appoint more than one proxy provided each proxy is appointed to exercise rights attaching to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please contact the Registrars of the Company as detailed in note 4 below.
- 3 This Form of Proxy must, in the case of an individual, be signed by the appointer or his/her attorney or, in the case of a corporation, be given under its common seal or signed on its behalf by an attorney or a duly authorised officer or, if it is subject to the Companies Act 2006 (as amended), in accordance with Section 44 thereof.
- 4 To be valid this Form of Proxy and any power of attorney or other authority under which it is executed (or a duly notarised copy thereof) must be lodged with the Registrars of the Company, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD not later than 1:30 p.m. on 8 December 2019 or not less than 48 hours before the time appointed for the adjourned meeting at which it is to be used.
- 5 In the case of joint holders of a share the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the statutory register of members in respect of the share.
- 6 Any alteration in this Form of Proxy must be initialled by the person in whose hand it is signed or executed.
- 7 CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent Neville Registrars Limited (CREST ID: 7RA11) by 1:30 p.m. (UK time) on 8 December 2019. See the notes to the Notice of Meeting for further information on proxy appointments through CREST.
- 8 The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and is not counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
- 9 As an alternative to completing this hard copy Form of Proxy, you can appoint a proxy electronically online at [www.sharegateway.co.uk](http://www.sharegateway.co.uk) and completing the authentication requirements as set out on the Form of Proxy. For an electronic proxy appointment to be valid, your appointment must be received by Neville Registrars not later than 1:30 p.m. on 8 December 2019 or not less than 48 hours before the time appointed for the adjourned meeting at which it is to be used.

Please complete and return this Form of Proxy to the Registrar at the address shown overleaf. If you wish to use an envelope, please address it to 'FREEPOST NEVILLE'. If it is posted outside the United Kingdom, please return it in an envelope using the address shown overleaf and pay the appropriate postage charge.

**Herencia Resources plc**

(Incorporated and Registered in England and Wales under the Companies Act 1985 with Registered Number 05345029)

**FORM OF PROXY**

I/We \_\_\_\_\_ being (a) member(s) of the Company and entitled to vote at the Extraordinary General Meeting, hereby appoint

(Please only complete if appointing someone other than the Chairman of the Meeting)

[Empty box for appointing a proxy]

or failing him/her, the Chairman of the Meeting as my/our proxy, to attend, speak and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company, to be held on 10 December 2019 at the offices of Bishop & Sewell LLP, 59-60 Russell Square, London, WC1B 4HP at 1:30 p.m. and at any adjournment thereof.

**Ordinary Resolutions**

- |   | FOR                      | AGAINST                  | WITHHELD                 |
|---|--------------------------|--------------------------|--------------------------|
| 1 To receive and consider the audited financial statements for the period ended 31 December 2018 together with the directors' report and the auditors' report thereon | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 To receive and approve the report on directors' remuneration in the Annual Report and Accounts for the period ended 31 December 2018                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 To approve the proposed share consolidation   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Your personal proxy registration code is: ABCD-123-EFG**

If you are planning to attend the Extraordinary General Meeting, please tick the following box:

Mark this box with an "X" if you are appointing more than one proxy:

Signed:

[Signature box]

Leave blank to authorise your proxy to act in relation to your full entitlement or enter the number of shares in relation to which your proxy is authorised to vote:

[Number of shares box]

Date:

[Date box: DD-MM-YY]



Herencia Resources plc

Attendance Card

The Extraordinary General Meeting will start at 1:30 p.m. and is being held on 10 December 2019 at the offices of Bishop & Sewell LLP, 59-60 Russell Square, London, WC1B 4HP.

**If you plan to attend the Extraordinary General Meeting, please bring this card with you to ensure you gain entry as quickly as possible.**

Please present this card at the registration desk. It will be used to show that you have the right to attend, speak and vote at the Extraordinary General Meeting.

>12340  
Name  
Address 1  
Address 2  
Address 3  
Address 4  
Address 5  
Address 6

NEVILLE  
REGISTRARS



Business Reply Plus  
Licence Number  
RSTY-SAKX-RZSL



NR 1

Neville Registrars Limited  
Neville House  
Steelpark Road  
Halesowen  
B62 8HD