

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in doubt about what action to take, you should obtain your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all or part of your holding of ordinary shares of £0.05 each (“**Ordinary Shares**”) in the capital of in BlueRock Diamonds plc (the “**Company**” or “**BlueRock**”) you should forward this document and the attached Proxy Form as soon as possible to the purchaser(s) or transferee(s) or the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser(s) or transferee(s).

The Directors of BlueRock, whose names are set out on page 4 of this document, accept responsibility for the information contained in this document, except for (i) the Recommendation on page 18 of this document, for which the Independent Directors take responsibility and (ii) the information on Teichmann Company Limited (“**TCL**”) for which the directors of TCL (details of whom are set out on page 20 of this document) take responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. To the best of the knowledge and belief of the directors of TCL (who have taken all reasonable care to ensure that such is the case), the information contained in this document relating to TCL is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected. **This document should be read in conjunction with the Notice of Annual General Meeting as set out at the end of this document. The whole text of this document should be read.**

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## **BLUEROCK DIAMONDS PLC**

**(Registered in England and Wales with No. 08248437)**

### **WAIVER OF RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS**

#### **TEICHMANN FINANCING**

#### **NOTICE OF ANNUAL GENERAL MEETING**

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Notice of the Annual General Meeting of BlueRock, to be held at the offices of SP Angel, Prince Frederick House, 35-39 Maddox Street, London W1S 2PP on 7 September 2022 at 10.00 am is set out starting on page 38 of this document. A Proxy Form for use in connection with the Annual General Meeting is enclosed and should be completed and returned to the Company’s registrars at Share Registrars Limited, 3 Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX as soon as possible and, in any event, by no later than 10.00 am on 5 September 2022. Completion and return of a Proxy Form will not preclude Shareholders from attending and voting at the Annual General Meeting in person should they so wish. If you do not complete and return a valid Proxy Form or attend the Annual General Meeting in person to vote, no-one else may vote on your behalf.

SP Angel Corporate Finance LLP (“SP Angel”), 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 connection with the proposed admission of the New Ordinary Shares to trading on AIM and the proposals described in this document. It will not regard any other person as its client and will not be responsible to anyone else for providing the protections afforded to the clients of SP Angel or for providing advice in relation to such proposals. SP Angel has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by SP Angel for the accuracy of any information or opinions contained in this document or for the omission of any information. SP Angel owes

certain responsibilities to the London Stock Exchange which are not owed to the Company, the Directors, the Shareholders or any other person.

The distribution of this document and the offering or sale of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or SP Angel that would permit an offering of the New Ordinary Shares or possession or distribution of this document or any other offering or publicity material relating to the New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Company and SP Angel to inform themselves about and to observe any such restrictions.

This document is directed only at members of the Company falling within the meaning of Article 43(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as Relevant Persons). This document must not be acted on or relied on by persons who are not Relevant Persons. This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law or the AIM Rules.

Copies of this document are available free of charge on the Company’s website: [www.bluerockdiamonds.co.uk/Reports-and-Circulars.html](http://www.bluerockdiamonds.co.uk/Reports-and-Circulars.html)

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Announcement of Subscription Agreement</b>	5 July 2022
<b>Date of posting of this Circular</b>	15 August 2022
<b>Latest time and date for receipt of Proxy Forms</b>	10.00 am on 5 September 2022
<b>Annual General Meeting</b>	10.00 am on 7 September 2022

*Notes:*

Each of the dates in the above timetable is subject to change at the absolute discretion of the Company.

If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to shareholders by announcement through a Regulatory Information Service. References to time in this Circular are to London time except when otherwise stated.

All events listed in the above timetable following the Annual General Meeting are conditional on the passing of the Resolutions at the Annual General Meeting.

## STATISTICS

Issue Price	£0.07
Number of Existing Ordinary Shares in issue as at the date of this Circular	21,776,755
Number of Subscription Shares to be issued on redemption of the Simple Loan Notes	15,234,437
Number of New Conversion Shares to be issued on conversion of the New Convertible Loan Notes	8,339,229
Number of Existing Conversion Shares to be issued on conversion of the Existing CLN	6,465,247
Enlarged Issued Share Capital following issue of the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares, and assuming exercise of Michael Houston's options (but not including the potential issue of shares under the Broker Option)	52,094,972
Percentage of the Enlarged Share Capital of the Teichmann Concert Party following issue of the Subscription Shares, the New Conversion Shares and the Existing Conversion Shares, and assuming exercise of Michael Houston's options	65.46%
Total gross proceeds of the Teichmann Financing (excluding the Facility Agreement and Broker Option)	£1,650,157
Estimated net proceeds of the Teichmann Financing (excluding the Facility Agreement and Broker Option)	£1,341,000

## **DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	Michael John Houston (Executive Chairman) David Alan Facey (Finance Director) Timothy Grahame Leslie (Non-Executive Director) Robert Charles Croll (Non-Executive Director) Gary Hamilton Teichmann (Non-Executive Director)
<b>Registered Office</b>	4th Floor, Reading Bridge House George Street Reading Berkshire RG1 8LS
<b>Company Secretary</b>	David Alan Facey
<b>Nominated Adviser and Broker</b>	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP
<b>Legal advisers to the Company</b>	Fladgate LLP 16 Great Queen Street London WC2B 5DG
<b>Legal advisers to TCL</b>	Watson Farley & Williams LLP 15 Appold Street London EC2A 2HB
<b>Registrars</b>	Share Registrars Limited 3 Millennium Centre Crosby Way Farnham Surrey GU9 7XX

## DEFINITIONS

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

<b>“AIM Rules”</b>	the AIM rules for companies whose shares are admitted to trading on AIM as published by the London Stock Exchange.
<b>“AIM”</b>	AIM, the market operated by the London Stock Exchange.
<b>“Annual General Meeting”</b>	the annual general meeting of the Company to be held at the offices of SP Angel, Prince Frederick House, 35-39 Maddox Street, London W1S 2PP at 10.00 am on 7 September 2022 or any adjournment thereof, notice of which is set out at the end of this document.
<b>“Broker Option”</b>	the option described in paragraph 5 of part 1 of this Circular.
<b>“Circular”</b>	this document.
<b>“City Code”</b>	the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).
<b>“Company” or “BlueRock”</b>	BlueRock Diamonds plc.
<b>“Directors” or “Board”</b>	the directors of the Company, whose names are set out on page 4 of this document.
<b>“Existing CLN”</b>	the £1,610,000 convertible loan notes 2024 constituted by an instrument of the Company dated on or around 20 September 2021 (where relevant, as amended by the Existing CLN Amendment Deed following approval of the Resolutions).
<b>“Existing CLN Amendment Deed”</b>	the deed to be entered into by the Company amending the terms of the Existing CLNs.
<b>“Existing Conversion Shares”</b>	the 6,465,247 Ordinary Shares to be issued on conversion of the Existing CLN.
<b>“Existing Shares”</b>	21,776,755 Ordinary Shares in issue at the date of this document.
<b>“Facility Agreement”</b>	the facility agreement dated 4 July 2022 between, Kareevlei and TSA, summarised in paragraph 4.5 of part 3 of this document.
<b>“GFI”</b>	Gold Finger Investments Limited, further details of which are set out in paragraph 1.1.3 of part 2 of this document.
<b>“Governance Agreement”</b>	the agreement dated 4 July 2022 between the Company, Kareevlei, TCL, TSA summarised in paragraph 5.2.2 of part 2 of this document.

<b>“Group”</b>	the Company and its subsidiary undertakings from time to time.
<b>“Independent Directors”</b>	the Company’s independent directors for the purpose of the City Code, namely: David Facey, Tim Leslie and Rob Croll.
<b>“Independent Shareholders”</b>	the Shareholders not in the Teichmann Concert Party.
<b>“Kareevlei”</b>	Kareevlei Mining Pty Limited.
<b>“London Stock Exchange”</b>	London Stock Exchange plc.
<b>“MH Options”</b>	Michael Houston’s aggregate 279,304 options to subscribe for that number of new Ordinary Shares in the capital of the Company that have been issued to Michael Houston since May 2019, exercisable at a price of between 50p and 85p per share, and valid for a period of five years from issue.
<b>“NCLN Subscription”</b>	the proposed subscription by the Noteholders for New Convertible Loan Notes convertible into the New Conversion Shares.
<b>“New Conversion Shares”</b>	the 8,339,229 Ordinary Shares to be issued on conversion of the New Convertible Loan Notes.
<b>“New Convertible Loan Notes” or “NCLNs”</b>	the £583,746 New Convertible Loan Notes 2025 to be issued by the Company pursuant to the Subscription Agreement following the passing of the Resolution.
<b>“Noteholders”</b>	TCL, T3, Claude Holton, Alan McKinney and Brett Nicolay, being members of the Teichmann Concert Party.
<b>“Notice of Annual General Meeting”</b>	the notice of the Annual General Meeting which is set out from page 38 of this Circular.
<b>“Ordinary Shares”</b>	ordinary shares of 5 pence each in the capital of the Company.
<b>“Panel”</b>	the Panel on Takeovers and Mergers.
<b>“Proxy Form”</b>	the proxy form enclosed with this Circular for use by Shareholders in connection with the Annual General Meeting.
<b>“Relationship Agreement”</b>	the agreement dated 4 July 2022 between the Company, SP Angel and TCL, summarised in paragraph 5.2.1 of part 2 of this document.
<b>“Resolutions”</b>	resolutions numbered 1, 2 and 3 set out in the Notice of Annual General Meeting.
<b>“Shareholders”</b>	holders of Ordinary Shares.
<b>“Simple Loan Notes” or “SLNs”</b>	the £1,066,411 Simple Loan Notes 2022 issued by the Company pursuant to the Subscription Agreement.



<b>“SP Angel”</b>	SP Angel Corporate Finance LLP, the Company’s nominated adviser, broker and independent financial adviser.
<b>“Subscription”</b>	the subscription by the Noteholders for the Subscription Shares as described in this Circular.
<b>“Subscription Agreement”</b>	the conditional agreement dated 4 July 2022, as amended on 15 August 2022, between the Noteholders and the Company relating to the subscription for Simple Loan Notes and the NCLN Subscription, summarised in paragraph 4.1 of part 2 of this document.
<b>“Subscription Shares”</b>	the 15,234,437 new Ordinary Shares to be subscribed for by TCL on redemption of the SLNs.
<b>“T3”</b>	T-Three Drilling (Mauritius) Limited, further details of which are set out in paragraph 1.1.3 of part 2 of this document.
<b>“TCL”</b>	Teichmann Company Limited, an investment company controlled by trusts connected with the owners of the Teichmann Group and a substantial shareholder in the Company, further details of which are set out on page 20 of this Circular.
<b>“TCL Directors”</b>	Amit Gupta, Victor Dingle, Christine Young Fong Fah and Kenneth John Gibbs, further details of whom are set out on page 20 of this Circular.
<b>“Teichmann Concert Party”</b>	TCL, THL, T3, GFI, Gary Teichmann, James te Riele, Kenneth Gibbs, Adrian Garvey, Claude Holton, Brett Nicolay, Alan McKinney, Michael Houston and Aimee te Riele, further details of whom are set out in paragraph 1.1.3 of part of this document, who, for the purposes of the City Code, are deemed to be acting in concert.
<b>“Teichmann Financing”</b>	the financing pursuant to the Subscription Agreement comprising the subscription for SLNs (and their redemption for Subscription Shares) and NCLNs (and their conversion into New Conversion Shares), the amendment of the Existing CLNs and the entry into of the Facility Agreement.
<b>“Teichmann Group”</b>	THL, TSA and their respective subsidiary companies.
<b>“THL”</b>	Teichmann Holdings Limited, an investment company controlled by trusts connected with Gary Teichmann and James te Riele, further details of which are set out in paragraph 1.1.3 of part of this document.
<b>“TSA”</b>	Teichmann South Africa (Proprietary) Limited, further details of which are set out in paragraph 1.1.3 of part 2 of this document.
<b>“Waiver Resolution”</b>	resolution number 1 set out in the Notice of Annual General Meeting as the resolution (to be voted on by Independent Shareholders voting on a poll) to approve the waiver of the obligation on TCL that would otherwise

arise under the City Code to make a mandatory cash offer for the Existing Shares not owned by TCL and persons acting in concert with TCL.

## PART 1

### LETTER FROM THE CHAIRMAN OF BLUEROCK DIAMONDS PLC

(Incorporated and registered in England and Wales with registered number 08248437)

*Directors:*

Michael Houston (Executive Chairman)  
David Facey (Finance Director)  
Timothy Leslie (Non-Executive Director)  
Robert Croll (Non-Executive Director)  
Gary Teichmann (Non-Executive Director)

*Registered Office:*

4th Floor, Reading Bridge House  
George Street  
Reading  
Berkshire RG1 8LS

15 August 2022

*To Shareholders, option-holders and the holders of Existing CLNs*

Dear All

#### **PROPOSED ISSUE OF SUBSCRIPTION SHARES, NEW CONVERTIBLE LOAN NOTES, APPROVAL OF WAIVER GRANTED BY THE PANEL ON TAKEOVERS AND MERGERS OF RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS AND NOTICE OF ANNUAL GENERAL MEETING**

#### **1 INTRODUCTION**

On 5 July 2022 the Company announced that it had entered into the Subscription Agreement with Teichmann Company Limited and parties connected with TCL for an aggregate £1,650,157 and that the Company's subsidiary, Kareevlei, had entered into the Facility Agreement with TSA for up to ZAR30m.

Subject to the satisfaction of a number of conditions relating to the grant of security, the Company expects, pursuant to the Subscription Agreement, to issue £1,066,411 Simple Loan Notes to the Noteholders with the intention that, subject to independent shareholder approval, further details of which are set out below, the Simple Loan Notes will be redeemed in consideration for the issue by the Company of the Subscription Shares and that this will be accompanied by the issue of New Convertible Loan Notes of £583,746 and an amendment to the Existing CLN, subject to the conditions set out in the Subscription Agreement and summarised below.

The Company is requesting the support of Shareholders for the passing of the Resolutions, which are required in order to complete the Teichmann Financing (to the extent not already completed) and to avoid the need to redeem the Simple Loan Notes in case the Resolutions are not passed. The Resolutions will be proposed at the Annual General Meeting to be held on 7 September 2022.

The Teichmann Concert Party currently holds 3,785,556 Ordinary Shares, equating to 17.4% of the issued ordinary share capital of the Company. The total number of Ordinary Shares of the Company immediately following issue of the Subscription Shares will be 37,011,192, of which the Teichmann Concert Party will hold 19,019,993 Ordinary Shares, representing 51.75% of the enlarged ordinary share capital of the Company. Following the issue of the Subscription Shares and conversion of the Existing CLNs and NCLNs into Ordinary Shares through the allotment and issue of the Existing Conversion Shares and the New Conversion Shares respectively, the enlarged share capital will be 52,094,972 Ordinary Shares (assuming no other share issues and exercise of Michael Houston's options), of which the Teichmann Concert Party would hold 34,103,773 Ordinary Shares, representing 65.46% of the enlarged issued ordinary share capital of the Company. The total enlarged share capital and the Teichmann Concert Party's holding may be further increased by the issue of shares in accordance with the Broker Option which is further described in paragraph 5 below. Under the

Broker Option, the Teichmann Concert Party's holding would still represent a maximum of 65.46% of the enlarged issued ordinary share capital of the Company.

## 2 BACKGROUND

As announced by the Company on 1 June 2022, during the first five months of 2022, the Kareevlei Diamond Mine experienced nearly double its normal annual rainfall (561mm/22 inches). The wet season extended into what are normally considered dry months, April and May and in particular May, when the Company experienced over three times the long-term average, and this following on from a very wet Q1 had a significant impact on both mining development and processing against expectations.

Mining development fell 36% (400,000 tonnes) as compared to budget for April and May, which limited the mine's access to quality kimberlite and necessitated the use of lower grade and more difficult to handle material (clay content) in Kareevlei's processing operations. Additionally, where the Company had hoped to ramp up production at its new 1Mtpa processing plant, the unforeseen lost days to rain and the lower-grade feed resulted in operations being down against budget over the period March to May by 48% on tonnes processed, 51% on grade and 74% on carats produced.

Accordingly, while South Africa has since experienced drier weather conditions, the delayed roll out of the Company's mining development plan has impacted production output in Q2, and will impact Q3 and therefore the 2022 outlook which was revised down in the Company's announcement of 11 July 2022. In addition, as a result of global economic conditions, the Company is facing increased costs of production due to higher diesel prices and increased costs of major suppliers.

As a result of fewer diamonds being produced and sold (3,570 and 2,699 carats respectively in Q2 2022 versus 5,442 and 5,106 in Q2 2021) as well as increasing costs, BlueRock's cash resources have been depleted during what continues to be a period of heavy investment in mining development. The Company, therefore, entered discussions with TCL to support it through this period.

On 5 July 2022, the Company announced the Noteholders' subscription for £1,066,411 Simple Loan Notes. If the Resolutions are passed, they will be refinanced by subscription for the Subscription Shares for £1,066,411 in aggregate. Further, if the Resolutions are passed, the Noteholders will subscribe for the New Convertible Loan Notes for £583,746 in aggregate and the Existing CLN will be amended as described section 4 of part 2.

If the Resolutions are not passed, then the Simple Loan Notes become redeemable immediately plus the greater of £1,000,000 and the market value of the New Conversion Shares had they been issued. The refinancing of the Simple Loan Notes by subscription for the Subscription Shares, combined with the issue of the New Convertible Loan Notes and amendment of the Existing CLN, will, therefore, save the Company considerable liability.

The terms of the Subscription Agreement, the Simple Loan Note Instrument, the New Convertible Loan Note Instrument and amendment of the Existing CLN are summarised in section 4 of part 2.

The Teichmann Concert Party has been a substantial shareholder and partner of BlueRock for a number of years now and has a good working relationship with the Board. The Teichmann Financing will allow the Noteholders to increase their exposure to the Kareevlei mine which the Company believes offers considerable value to all shareholders particularly once the current expansion project, which the Teichmann Concert Party has helped to fund, is completed and the mine is operating at its targeted run rate of 1m tonnes per annum.

The Noteholders and TSA have confirmed that the NCLNs will be funded from their existing cash resources. No management incentivisation arrangements are agreed or proposed in connection with the Teichmann Financing.

### 3 THE TEICHMANN FINANCING

#### ***Subscription Agreement, SLNs and CLNs***

On 4 July 2022 the Company and Noteholders entered into the Subscription Agreement pursuant to which £1,066,411 Simple Loan Notes will be issued to the Noteholders. The SLNs are redeemable on 7 September 2022 with zero interest payable. Subject to the passing of the Resolutions, the SLNs will be redeemed for 15,234,437 new Ordinary Shares, issued at £0.07 per share, which would have the effect of increasing the interest of the Teichmann Concert Party in the Company's voting share capital from 17.38% as at the date of this Circular to 51.75% (before conversion of the Existing CLN or the New Convertible Loan Notes but assuming the exercise of Michael Houston's options).

If the Resolutions are not approved by 7 September 2022, the Company will be required to redeem the Simple Loan Notes at the amount invested by the Noteholders plus the greater of £1,000,000 and the market value of the New Conversion Shares had they been issued.

Subject to approval of the Resolutions, a New Convertible Loan Note of £583,746 will be issued to the Noteholders, with a conversion price of £0.07 and a maturity date of 30 November 2025. The SLN, the NCLN and the Existing CLN will, subject to regulatory approval in South Africa, be secured by a charge over the Company's shares in Kareevlei, as well as a charge over the Company's bank accounts for the benefit of TSA, as lender under the Facility Agreement, and the holders of the Existing CLNs, SLNs and New CLNs.

Furthermore, and again subject to the approval of the Resolutions, the Existing CLN of £1,610,000 will be amended to provide for redemption and to run to an extended term of 30 November 2025. It will also remove applicable interest to its maturity and amend the conversion price from 40 pence to 24.9 pence (the commercial effect among the parties being the same due to the treatment of interest and which will not alter the maximum number of shares to be issued under the Existing CLN, being 6,465,247 Ordinary Shares).

If the NCLN Subscription takes place, the Company will issue £583,746 of New Convertible Loan Notes to the Noteholders convertible into Ordinary Shares at a price of £0.07 per share.

The total number of Ordinary Shares of the Company immediately following issue of the Subscription Shares and conversion of the Existing CLNs and NCLNs into Ordinary Shares through the allotment and issue of the Existing Conversion Shares and the New Conversion Shares respectively would be 52,094,972 (assuming no other share issues and exercise of Michael Houston's options), of which the Teichmann Concert Party would hold 34,103,773 Ordinary Shares, representing 65.46% of the enlarged issued ordinary share capital of the Company.

#### ***Facility Agreement***

On 4 July 2022, Kareevlei entered into a new extended credit facility with its mining contractor, TSA, for up to ZAR30 million which reduces to ZAR20 million 180 days after the effective date (being the date on which the borrower satisfies the conditions precedent to drawdown). Subject to South African regulatory approvals, where relevant, the facility will be secured over the plant, machinery, equipment and other moveable assets of Kareevlei. Subject to South African regulatory approvals, where relevant, the facility will also be guaranteed by the Company in favour of TSA and secured by a charge over the Company's bank accounts for the benefit of TSA and the holders of the Existing CLNs, SLNs and New CLNs.

Further details of the Subscription Agreement, SLN Instrument, NCLN Instrument and Existing CLN Amendment Deed are set out in section 4 of part 2 of this Circular.

Further details relating to TCL, its ultimate beneficial owners and the Teichmann Concert Party are set out in section 1 of part 2 of this Circular.

#### **4 OTHER ARRANGEMENTS**

In addition to the Teichmann Financing, the Company, its nominated adviser SP Angel and TCL have entered into a new Relationship Agreement. Under this agreement, TCL has the right to appoint up to three directors to the board of the Company (as long as this number is matched by independent directors who will retain the casting vote) and to participate in future fundraisings to maintain its shareholding (calculated on a fully diluted basis). This agreement includes typical clauses on the ability of the Company to operate independently of TCL. Further details of the Relationship Agreement are set out in section 4 of part 2 of this Circular.

The Company, Kareevlei, TCL and TSA have also entered into a Governance Agreement which sets out a framework under which TCL and other material shareholders of BlueRock and Kareevlei can appoint directors at the Kareevlei level subject to the Company retaining control of the operation of Kareevlei through a casting vote. The Company and TCL are to agree terms of reference for a management committee of Kareevlei, such committee to include an independent technical expert. Further details of the Governance Agreement are set out in section 4 of part 2 of this Circular.

Assuming the Resolutions are passed at the AGM to enable the Teichmann Financing to proceed (to the extent it has not at that time done so), it is the intention of Michael Houston, David Facey and Tim Leslie to resign as directors, subject to suitable replacements being identified.

#### **5 BROKER OPTION**

To provide Shareholders and other investors who were not able to participate in the Teichmann Financing the option to subscribe for Ordinary Shares at the issue price of 7p per share, the Company has agreed with Teichmann to provide the Broker Option. This allows subscriptions for up to an aggregate £0.3 million at 7p per share with priority given to existing Shareholders of the Company. The Teichmann Concert Party will subscribe for 65% of the total number of Ordinary Shares issued under the Broker Option such that its maximum percentage shareholding is maintained at no more than 65.46%. This has the effect of up to approximately £105,000 of the Broker Option being available to Shareholders and investors that are independent of the Teichmann Concert Party.

The maximum number of Ordinary Shares to be issued under the terms of the Broker Option, if exercised, will be 4,285,714 Ordinary Shares.

To subscribe under the Broker Option, Shareholders should communicate their interest to the SP Angel by 5:00 pm on 24 August 2022 via their independent financial adviser, stockbroker or other firm authorised by the Financial Conduct Authority, as SP Angel cannot take direct orders from individual private investors.

There is no guarantee that SP Angel will exercise the Broker Option or that Shareholders and investors will be able to acquire any Broker Option Shares.

#### **6 SIGNIFICANT SHAREHOLDERS**

The holders of more than 3% of the Company's Ordinary Shares following issue of the Subscription Shares, the Existing Conversion Shares and the New Conversion Shares are set out below: .

<b>Name of Shareholder</b>	<b>Number of Ordinary Shares held at 12 August 2022</b>	<b>Percentage of issued ordinary share capital of the Company held as at 12 August 2022</b>	<b>Number of new Ordinary Shares following issue of the Existing Conversion Shares, the Subscription Shares and the New Conversion Shares</b>	<b>Percentage of issued ordinary share capital of the Company held immediately following issue of the Existing Conversion Shares, the Subscription Shares and the New Conversion Shares and assuming exercise of Michael Houston's options</b>
TCL*	2,480,262	11.4	22,753,380	43.68
T3*	971,624	4.5	9,059,319	17.39
Binvic (Pty) Ltd	2,682,487	12.32	2,682,487	5.15
Edale Europe Absolute Master Fund	1,167,500	5.36	1,167,500	2.24

\*Under common ownership, part of the Teichmann Concert Party

## **7 RELATED PARTY TRANSACTION**

TCL, and certain connected parties connected with the owners of Teichmann Group, as a substantial Shareholder of the Company, are each considered to be a "related party" as defined under the AIM Rules and, accordingly, the Teichmann Financing, the Relationship Agreement, Governance Agreement and Broker Option constitute a related party transaction for the purposes of Rule 13 of the AIM Rules.

The Directors independent of the Teichmann Financing, the Relationship Agreement, Governance Agreement and Broker Option from an AIM Rules perspective, being Michael Houston, David Facey, Tim Leslie and Rob Croll, consider, having consulted with the Company's nominated adviser, that the terms of the Teichmann Financing, the Relationship Agreement, Governance Agreement and Broker Option are fair and reasonable insofar as the Company's Shareholders are concerned.

## **8 THE TAKEOVER CODE**

The Teichmann Financing gives rise to certain considerations under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford are set out below.

### **Background**

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, among other things, a listed or unlisted public company resident in the United Kingdom, the Channel Islands or the Isle of Man (and to certain categories of private limited companies). The Company is a public company whose Ordinary Shares are admitted to trading on AIM, and its Shareholders are therefore entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by that person and any interest in shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Panel to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

Similarly, Rule 9 of the Takeover Code also provides, among other things, that where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company which is subject to the Takeover Code, and such person, or any person acting in concert with him, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required by the Panel to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any interest in shares in the company by the person required to make the offer or any person acting in concert with him.

Shareholders should be aware that Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him, holds interests in shares carrying more than 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a general offer to the other shareholders to acquire their shares.

Under the Takeover Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest or interests in shares carrying, in aggregate, 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

### **The Teichmann Concert Party**

The Teichmann Concert Party is comprised of THL, TCL, T3, GFI, Gary Teichmann, James te Riele, Kenneth Gibbs, Adrian Garvey, Claude Holton, Brett Nicolay, Alan McKinney, Michael Houston and Aimee te Riele. Further details of these persons are set out in paragraph 1.1.3 of part 2 of this document.

For the purposes of Rule 9, the Takeover Panel considers the Teichmann Concert Party to be a single entity. Given that on completion of the Teichmann Financing the Teichmann Concert Party will hold over 50% of the voting rights of the Company, any transfer of shares in the Company between entities within the Teichmann Concert Party and any further acquisitions of the Company's shares by any member of the Teichmann Concert Party, whether individually or collectively, will not be subject to the restrictions of Rule 9 of the Takeover Code.

### **Dispensation from the requirement to make a general offer under the Takeover Code**

Immediately following issue of the Subscription Shares, the Teichmann Concert Party will have acquired interests in the Ordinary Shares carrying, in aggregate, 51 per cent. of the then enlarged voting rights of the Company which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the Teichmann Concert Party (and any party deemed to be acting in concert with the Teichmann Concert Party) to make a general offer to Shareholders under Rule 9 of the Takeover Code. Each of the Teichmann Concert Party member's existing and resultant interests will comprise:



	As at the date of this Circular		Following completion of the Teichmann Financing				
	Number of Existing Ordinary Shares held	% interest of Existing Issued Share Capital <sup>1</sup>	Number of Ordinary Shares to be issued if Existing CLN converted	Subscription Shares	New Conversion Shares	Total shares following issue of Existing Conversion Shares, Subscription Shares and New Conversion Shares	Maximum % interest in the Potential Enlarged Issued Share Capital and voting rights of the Company <sup>2</sup>
THL	-	-	-	-	-	-	-
TCL	2,480,262	11.4	4,399,355	10,284,735	5,589,028	22,753,380	43.68%
T3	971,624	4.5	1,776,000	4,081,486	2,230,209	9,059,319	17.39%
GFI	26,000	0.1	-	-	-	26,000	0.05%
Claude Holton	65,354	0.3	116,028	273,430	149,673	604,485	1.16%
Alan McKinney	54,419	0.2	96,555	227,679	124,630	503,283	0.96%
Brett Nicolay	43,612	0.2	77,309	182,465	144,617	448,003	0.86%
Aimee te Riele	-	-	-	184,642	101,072	285,714	0.55%
Gary Teichmann	-	-	-	-	-	-	-
James te Riele	-	-	-	-	-	-	-
Kenneth Gibbs	-	-	-	-	-	-	-
Adrian Garvey	-	-	-	-	-	-	-
Michael Houston	144,285	0.7	-	-	-	423,589 <sup>2</sup>	0.81%
Total	3,785,556	17.4	6,465,247	15,234,437	8,339,229	34,103,773	65.46%

\*Note:

*Includes the exercise of all Michael Houston's options but no other share options (these are significantly out of the money) This table does not include the effect of any shares issued in accordance with the Broker Option though this will not impact the maximum percentage holding of the Teichmann Concert Party*

The Company has applied to the Panel for a waiver of the obligations under Rule 9 of the Takeover Code in order to permit the Teichmann Financing to proceed without triggering an obligation on the part of the Teichmann Concert Party to make a general offer to Shareholders. Under Note 1 of the Notes on the Dispensations from Rule 9 of the Takeover Code, the Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the Takeover Code (a "Rule 9 Offer") if, among other things, the shareholders of the company who are independent of the person who would otherwise be required to make an offer, and any person acting in concert with him, pass an ordinary resolution approving such a waiver on a poll at a general meeting.

Accordingly, the Panel has agreed to grant a waiver of the obligation of the Teichmann Concert Party to make a general offer under Rule 9 of the Takeover Code that would otherwise arise as a result of the issue of the Subscription Shares, the Existing Conversion Shares, the New Conversion Shares and any Broker Option Shares to the Teichmann Concert Party, subject to Shareholders approving the Waiver Resolution (Resolution 1) on a poll at the Annual General Meeting. To be passed, the Waiver Resolution will require a simple majority of the votes cast on a poll by the Shareholders entitled to vote. Shareholders should note that if the Waiver Resolution is passed by Shareholders at the Annual General Meeting and the Teichmann Financing completed, the Teichmann Concert Party, or any individual entity thereof, will not be restricted from making an offer for the Company.

**Shareholders should further note that, following completion of the Teichmann Financing and issue of the Subscription Shares, the Teichmann Concert Party will between them be interested in approximately 51.75% of the then enlarged voting rights of the Company and in approximately 65.46% of the then enlarged voting rights of the Company following issue of the Broker Option Shares, Existing Conversion Shares and the New Conversion Shares and that:**

- **by virtue of holding more than 50 per cent. of the Company's voting rights, the Teichmann Concert Party will be entitled to increase their holdings or aggregate interest in the voting rights of the Company without incurring any obligation under Rule 9 of the Takeover Code to make a general offer to all Shareholders to acquire their Ordinary Shares; and**
- **this will increase the percentage of the Ordinary Shares that are not in public hands.**

**This may in turn have the effect of reducing the liquidity of trading in the Ordinary Shares on AIM. The Teichmann Concert Party's stake in the voting rights of the Company will also mean that the Teichmann Concert Party will be able, if they so wish, to exert a controlling influence over resolutions proposed at future general meetings of the Company.**

The attention of Shareholders is drawn to the information on the Teichmann Concert Party and the additional information required by the Takeover Code set out in part 2 of this document.

## **9 INDEPENDENT ADVICE PROVIDED TO THE BOARD**

The Takeover Code requires the Board to obtain competent independent advice regarding the merits of the transaction which is the subject of the Waiver Resolution, the controlling position which it will create, and the effect which it will have on Shareholders generally. Accordingly, SP Angel, as the Company's independent financial adviser, has provided formal advice to the Board regarding the Teichmann Financing. SP Angel confirms that it, and any person who is or is presumed to be acting in concert with it, is independent of the Teichmann Concert Party and has no personal, financial or commercial relationship or arrangements or understandings with the Teichmann Concert Party.

## **10 ANNUAL GENERAL MEETING**

Set out at the end of this Circular is a notice convening the Annual General Meeting to be held at 10.00 am on 7 September 2022 at the offices of SP Angel, Prince Frederick House, 35-39 Maddox Street, London W1S 2PP, at which the following resolutions will be proposed.

### **10.1 The “Waiver Resolution”**

The Waiver Resolution seeks approval of the waiver granted by the Panel of the obligation that would otherwise arise on the Teichmann Concert Party to make a general offer to shareholders of the Company pursuant to Rule 9 of the City Code as a result of the issue to the Teichmann Concert Party of the Subscription Shares, the exercise of conversion rights and issue of the Existing Conversion Shares and the New Conversion Shares under the Existing CLN (as amended by Existing CLN Amendment Deed) and/or the NCLN, the issue of Ordinary Shares under the Broker Option and the exercise of Michael Houston’s share options. In order to comply with the City Code, Resolution 1 will be taken on a poll and the Teichmann Concert Party members that own shares, all of whom are disenfranchised from voting, have undertaken not to vote on this Resolution.

### **10.2 Authority to allot**

Resolution numbered 2 will be conditional on the approval of Resolution numbered 1 and will be proposed as an ordinary resolution to grant authority to the Directors to allot up to 34,603,940 Ordinary Shares. This resolution will give the Directors sufficient authority to allot the Subscription Shares plus the maximum number of Ordinary Shares that could be issued under the Existing CLN and NCLN plus the maximum number of Ordinary Shares that could be issued under the Broker Option.

### **10.3 Disapplication of pre-emption rights**

Resolution numbered 3 will be conditional on the approval of Resolutions numbered 1 and 2 and will be proposed as a special resolution to disapply statutory pre-emption rights in respect of the allotment of up to 34,603,940 Ordinary Shares for cash. This number represents the Subscription Shares plus the maximum number of new Ordinary Shares that could be issued under the Existing CLN and New Convertible Loan Notes plus the maximum number of Ordinary Shares that could be issued under the Broker Option.

### **10.4 Laying of reports and accounts**

The directors of a public company are required to lay before the shareholders in a general meeting copies of the directors’ reports, the independent auditors’ report and the audited financial statements of the Company in respect of each financial period. The Company proposes, as an ordinary resolution, Resolution 4 to receive the annual report and audited accounts of the Company for the financial period ended 31 December 2021.

### **10.5 Appointment of directors**

Resolutions 5 and 6 will be proposed as ordinary resolutions to re-appoint Gary Teichmann as a director of the Company (he having been appointed since the last

annual general meeting) and Tim Leslie who is retiring by rotation in accordance with the articles of association of the Company.

#### 10.6 **Auditors re-appointment and remuneration**

Shareholders will be asked in resolution 7 to confirm by ordinary resolution the re-appointment of BDO LLP as auditors of the Company and to grant authority to the Directors to determine their remuneration.

Irrevocable undertakings to vote in favour of the Waiver Resolutions have been given to the Company by the Independent Directors in respect of their holdings of Ordinary Shares) representing in aggregate 0.62% of the issued ordinary share capital of the Company as at 12 August 2022 (being the last business day prior to the publication of this document).

Irrevocable undertakings to vote in favour of the Resolutions (other than the Waiver Resolution) have been given to the Company by the Directors in respect of their holdings of Ordinary Shares) representing in aggregate 0.76% of the issued ordinary share capital of the Company as at 12 August 2022 (being the last business day prior to the publication of this document).

Further details of these irrevocable undertakings are set out in paragraph 2.6 of part 2 of this Circular.

### 11 **ACTION TO BE TAKEN BY SHAREHOLDERS**

Whether or not you propose to attend the Annual General Meeting in person, you are asked to complete the Proxy Form and return it to the Company's registrars, Share Registrars Limited, 3 Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX so as to arrive as soon as possible but in any event no later than 10.00 am on 7 September 2022. Completion and return of the Proxy Form will not preclude you from attending the Annual General Meeting and voting in person should you so wish.

### 12 **RECOMMENDATION**

**Should the Resolutions not be approved at the Annual General Meeting then, in the absence of alternative funding arrangements being made available and based on the current anticipated cash flow requirements of the Company, the Directors believe that current cash resources of the Company will be insufficient to allow the Company to continue trading, in particular as the Company will be required to redeem the Simple Loan Notes in accordance with their terms.**

**The Independent Directors, who have been so advised by SP Angel acting as the independent adviser to the Company required for the purposes of Rule 3 of the City Code, consider the Teichmann Financing, including the waiver of the obligation which would otherwise arise on TCL and the other members of the Teichmann Concert Party to make a general offer to Shareholders to acquire their Ordinary Shares under Rule 9 of the City Code to be fair and reasonable and in the best interests of Independent Shareholders and the Company as a whole.**

**Accordingly, the Independent Directors unanimously recommend Independent Shareholders to vote in favour of the Waiver Resolution, as they have irrevocably undertaken to do in respect of the shares in the Company held by them totalling 133,559 Ordinary Shares, being 0.62% of the issued ordinary share capital of the Company.**

**Furthermore, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions (other than the Waiver Resolution) and resolutions 4, 5, 6 and 7, as they have irrevocably undertaken to do in respect of the shares in the Company held by them**

**totalling 277,844 Ordinary Shares, being 0.76% of the issued ordinary share capital of the Company. If the Waiver Resolution is approved, the Concert Party will not be restricted from making an offer for the Company.**

Yours faithfully

Michael Houston  
Chairman

## PART 2

### ADDITIONAL INFORMATION

#### 1 INFORMATION ON THE TEICHMANN CONCERT PARTY

##### 1.1 Members of the Teichmann Concert Party

1.1.1 TCL is a Mauritian investment company and an 80 per cent. subsidiary of Teichmann Holdings Limited which is controlled equally by Mauritian trusts connected with each of Gary Teichmann (50 per cent.) and James te Riele (50 per cent.). Kenneth Gibbs is a minority 20 per cent. shareholder of TCL.

1.1.2 TCL is the construction and mining business unit of THL. TCL controls interests in various operating businesses across Africa. In addition to TCL, THL holds interests in other business areas including T3, a drilling contractor, as well as construction and agriculture related businesses.

THL was incorporated in Mauritius on 30 July 2019, its registered office is at 6<sup>th</sup> Floor, Dias Pier Building, Le Caudan Waterfront, Port Louis, Mauritius, and under Mauritian law it is not required to publish financial accounts.

As at 31 December 2021, THL had total unaudited equity of approximately USD 51m, generated unaudited revenue in the year to 31 December 2021 of approximately USD 104m and had an unaudited EBITDA of approximately USD 29m.

##### 1.1.2.1 Names of the TCL Directors

The Directors of TCL are:

- Victor Dingle
- Christine Young Fong Fah
- Amit Gupta
- Kenneth John Gibbs

##### 1.1.2.2 Names of the THL Directors

The Directors of THL are:

- Victor Dingle
- Christine Young Fong Fah

##### 1.1.2.3 Business and prospects of TCL

TCL is the construction and mining business unit of THL. TCL controls interests in various operating businesses across Africa. In addition to TCL, THL holds interests in other business areas including T3, a drilling contractor, as well as construction and agriculture related businesses.

The mining, construction, SMEIPP (structural, mechanical, electrical and instrumentation, piping and platework) and exploration drilling sectors in Africa are gearing up for major expansion due to improved resource prices and coupled with significant investment in the oil and gas sector in Mozambique

which TCL's directors believe bodes well for securing long-term projects for TCL's subsidiaries.

1.1.2.4 Effect on earnings and assets/liabilities

The Teichmann Financing is not expected to materially impact the earnings, assets or liabilities of the Teichmann Concert Party.

1.1.3 The **Teichmann Concert Party** of persons presumed to be acting in concert for the purposes of the City Code are:

1.1.3.1 THL - a private holding company which offers services to the mining, industrial construction, power and energy, oil and gas, infrastructure and agricultural industries.

1.1.3.2 TSA - a South African company controlled by South African trusts connected with each of Gary Teichmann, James te Riele and Kenneth Gibbs. TSA is party to a mining agreement with Kareevlei under which it provides mining services to Kareevlei.

1.1.3.3 TCL - an investment company controlled by THL and Mauritian trusts connected with Kenneth Gibbs (20%).

1.1.3.4 T3 – an investment holding company. It is equally owned by Mauritian trusts connected with each of Gary Teichmann and James te Riele (through THL) and Adrian Garvey.

1.1.3.5 GFI – a Mauritian investment entity that has assets in Zimbabwe and owns shares in BlueRock. GFI is owned by Mauritian trusts connected with Gary Teichmann (27%) and James te Riele (27%) (through THL) and Adrian Garvey (27%), Patrick Maseva-Shayawabaya (9%) and Michael Houston (9%). Mr Houston holds his shares through an Isle of Man company, Rock Investments Trading Limited.

1.1.3.6 Gary Teichmann – co-founder member of the Teichmann Group who holds joint majority shares in TCL, T3 and GFI as set out above via a Mauritian Holding Company (THL) through a Mauritian Trust (where he and his family are beneficiaries of the trust). Mr Teichmann is a director of the Company.

1.1.3.7 James te Riele – co-founder member of the Teichmann Group who holds joint majority shares in TCL, T3 and GFI as set out above via a Mauritian Holding Company (THL) through a Mauritian Trust (where he and his family are beneficiaries of the trust).

1.1.3.8 Kenneth Gibbs – the Teichmann Group Construction and Mining Divisional Managing Director. He holds 20% of TCL through a Mauritian Trust (where he and his family are beneficiaries of the trust).

1.1.3.9 Adrian Garvey - the T3 Group Divisional Managing Director who holds shares in T3 investment holding companies / subsidiaries and GFI .

1.1.3.10 Claude Holton – Consultant to the Teichmann Group.

1.1.3.11 Brett Nicolay – Plant Director of the Teichmann Group

1.1.3.12 Alan McKinney - Mining Director of the Teichmann Group

1.1.3.13 Michael Houston - Executive Chairman of the Company. Michael Houston is considered to be a member of the Teichmann Concert Party due to his previous working relationship and investment history with other members of the Teichmann Concert Party

1.1.3.14 Aimee te Riele – a relative of James te Riele, who will receive certain Ordinary Shares resulting from the Teichmann Financing as noted in the table at paragraph 1.2 below

## 1.2 Current interest and maximum potential interest of the Concert Party in the voting rights of the Company

Details of the current interest and maximum potential interest of the Concert Party, in the Ordinary Share capital of the Company are set out in the table below:

	As at the date of this Circular		Following completion of the Teichmann Financing				
	Number of Existing Ordinary Shares held	% interest of Existing Issued Share Capital <sup>1</sup>	Number of Ordinary Shares to be issued if Existing CLN converted	Subscription Shares	New Conversion Shares	Total shares following issue of Existing Conversion Shares, Subscription Shares and New Conversion Shares	Maximum % interest in the Potential Enlarged Issued Share Capital and voting rights of the Company*
THL	-	-	-	-	-	-	-
TCL	2,480,262	11.4	4,399,355	10,284,735	5,589,028	22,753,380	43.68%
T3	971,624	4.5	1,776,000	4,081,486	2,230,209	9,059,319	17.39%
GFI	26,000	0.1	-	-	-	26,000	0.05%
Claude Holton	65,354	0.3	116,028	273,430	149,673	604,485	1.16%
Alan McKinney	54,419	0.2	96,555	227,679	124,630	503,283	0.96%
Brett Nicolay	43,612	0.2	77,309	182,465	144,617	448,003	0.86%
Aimee te Riele	-	-	-	184,642	101,072	285,714	0.55%
Gary Teichmann	-	-	-	-	-	-	-
James te Riele	-	-	-	-	-	-	-
Kenneth Gibbs	-	-	-	-	-	-	-



Adrian Garvey	-	-	-	-	-	-	-
Michael Houston	144,285	0.7	-	-	-	423,589	0.81%
Total	3,785,556	17.4	6,465,247	15,234,437	8,339,229	34,103,773	65.46%

*\*Note:*

*Includes the exercise of all Michael Houston's options but no other share options (these are significantly out of the money) This table does not include the effect of any shares issued in accordance with the Broker Option though this will not impact the maximum percentage holding of the Teichmann Concert Party*

### 1.3 **Waiver**

The Company applied to the Panel for a waiver of the obligation which would otherwise arise to make a general offer under Rule 9 of the Takeover Code in order to permit the issue of the Subscription Shares by the Company to the Noteholders and/or the exercise of conversion rights and issue of the Existing Conversion Shares and New Conversion Shares under the Existing CLN (as amended by Existing CLN Amendment Deed) and/or the NCLN, the issue of Ordinary Shares under the Broker Option and the exercise of Michael Houston's share options, without triggering an obligation on the part of the Concert Party to make a general offer to Shareholders. The Panel has agreed, subject to the approval of Independent Shareholders on a poll vote of the Waiver Resolution, to waive the requirement for the Concert Party to make a general offer to all Shareholders where such an obligation would arise as a result of the issue of such securities.

### 1.4 **Intentions of the Teichmann Concert Party**

- 1.4.1 The Teichmann Concert Party has confirmed to the Company that it is not proposing, following the increase in their percentage interests in Ordinary Shares or voting rights as a result of the Teichmann Financing and implementation of the Facility Agreement and the Governance Agreement, to seek any change in the general nature of the Company's business.
- 1.4.2 The Teichmann Concert Party has also confirmed that it has no intention of making any changes in respect of: the Company's future business, the Company's research and development functions; the continued employment of the Company's employees and management; including any material change in conditions of employment or balance of skills and functions; the locations of the Company's places of business (including its headquarters and headquarter functions); employer contributions into the Company's pension schemes, the accrual of benefits for existing members and the admission of new members; any redeployment of the fixed assets of the Company as a result of such proposals; and the maintenance of any existing trading facilities for the relevant securities of the Company.
- 1.4.3 TCL has also confirmed that as a result of and following the Teichmann Financing and implementation of the Facility Agreement and the Governance Agreement, it does not intend to change the business strategy of its business and has no intention to discontinue the employment of its existing employees and management, nor will there be any material change in their conditions of employment.

## 1.5 Funding

The Noteholders have confirmed that the subscription for NCLNs is being funded from their respective existing cash resources.

## 2 SHAREHOLDINGS, DEALINGS AND IRREVOCABLE UNDERTAKINGS

### 2.1 Definitions

For the purposes of this paragraph 2, references to:

“**acting in concert**” has the meaning attributed to it in the City Code;

an “**associate**” of a company is to:

- (i) each of its subsidiary companies, parent companies and any other subsidiary companies of such parent companies (all such companies being, together and for the purposes of this paragraph 2 of Part 2 of this Circular, “**group companies**”), its associated companies, any associated companies of its group companies and any companies of which that company, its group companies or any of their associated companies are associated companies (and, for this purpose, ownership or control of 20% of more of the equity share capital of a company is the test of “**associated company**” status) (all of the companies referred to in this paragraph (i) being, together, “**paragraph (i) associates**”);
- (ii) any connected adviser of that company or of any company which is a paragraph (i) associate of that company or of any person acting in concert with that company;
- (iii) any person controlling, controlled by or under the same control as any connected adviser falling within paragraph (ii) above (except for an exempt principal trader or exempt fund manager);
- (iv) the directors of that company and any person in whose interests in shares any such director is taken to be interested pursuant to part 22 of the Companies Act 2006 and related regulations;
- (v) any pension fund of that company or of any company which is a paragraph (i) associate of that company; and
- (vi) any employee benefit trust of that company or of any company which is a paragraph (i) associate of that company;

“**connected adviser**” has the meaning attributed to it in the City Code;

“**control**” means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding gives, or aggregate holdings give, de facto control;

“**dealing**” or “**dealt**” includes:

- (i) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
- (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising or varying an option in respect of any relevant securities;

- (iii) subscribing or agreeing to subscribe for relevant securities;
- (iv) exercising or converting any relevant securities carrying conversion or subscription rights;
- (v) acquiring, disposing of, entering into, closing out, exercise of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
- (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
- (vii) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and
- (viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

“**derivative**” includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

“**disclosure period**” means the period commencing on 15 August 2021 (being the date 12 months prior to the posting of this document) and ending on 12 August 2022 (being the latest practicable date prior to the posting of this document);

being “**interested**” in relevant securities includes where a person has long economic exposure, whether absolute or conditional, to changes in the price of those relevant securities, and in particular;

- (i) owns relevant securities;
- (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
- (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
- (iv) is a party to any derivative whose value is determined by reference to the price of relevant securities and which results, or may result, in his having a long position in the relevant securities; or

a “**pension fund**” do not include any such pension funds which are managed under an agreement or arrangement with an independent third party in the terms set out in Note 7 to the definition in the City Code of “**acting in concert**”;

“**relevant securities**” means, in relation to any company, any:

- (i) shares in that company and any other securities in that company carrying voting rights;
- (ii) equity share capital of that company; and
- (iii) securities of that company carrying conversion or subscription rights into any securities of the type listed in paragraph (i) and (ii) above;

**“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; and

a disclosure made in respect of a director of a company includes details of all interests, short positions and borrowings of any other person whose interest in shares such director is taken to be interested in pursuant to part 22 of the Companies Act 2006 and related regulations.

## 2.2 Interests in relevant securities of the Company

2.2.1 The interests of the Directors (and any person in whose interests in shares any such director is taken to be interested pursuant to part 22 of the Companies Act 2006 and related regulations) in relevant securities of the Company, other than options which are disclosed under paragraph 2.2.2 below, as at the last day of the disclosure period were as follows:

<b>Name of Director/connected person</b>	<b>Number of Ordinary Shares</b>	<b>% of issued ordinary share capital of the Company</b>
Michael Houston	144,285	0.66%
David Facey	112,285	0.52%
Tim Leslie *	21,274	0.1%
Robert Croll	-	-
Gary Teichmann **	-	-

\*As at the date of this document, the Company had in issue the Existing CLN of which Tim Leslie held £231,250.

\*\*Gary Teichmann is interested in joint majority shares in TCL, T3 and GFI as set out above via a Mauritian Holding Company (THL) through a Mauritian Trust (where he and his family are beneficiaries of the trust). TCL, T3 and GFI are all interested in the Company as set out in paragraph 8 of part 1 of this document.

2.2.2 The interests of the Directors in options over Ordinary Shares as at the last day of the disclosure period were as follows:

<b>Name of Director</b>	<b>Number of Ordinary Shares under option</b>	<b>Type of option</b>	<b>Date of grant</b>	<b>Exercise price</b>	<b>Exercise period</b>
Michael Houston	97,740		16/05/2019	50	5 Years
	181,564		18/02/2020	85	5 Years
David Facey	65,160		16/05/2019	50	5 Years

Name of Director	Number of Ordinary Shares under option	Type of option	Date of grant	Exercise price	Exercise period
	116,404		18/02/2020	85	5 Years
Tim Leslie	-	-	-	-	-
Robert Croll	-	-	-	-	-
Gary Teichmann	-	-	-	-	-

2.2.3 There have been no dealings in Ordinary Shares by Directors in the disclosure period. As at the disclosure date, SP Angel held 10,256 Ordinary Shares in the Company.

2.2.4 There have been no dealings by the Teichmann Concert Party in Ordinary Shares during the disclosure period.

2.2.5 If the Resolutions are approved and the SLNs are redeemed by the issue of the Subscription Shares, the NCLNs are converted into New Conversion Shares and the Existing CLNs are converted into Existing Conversion Shares then, immediately following the issue of those shares, the Teichmann Concert Party would hold 65.5 per cent of the Company. Please see table in section 1.2 of part 2 of this document.

2.2.6 Save as otherwise disclosed in this document, as at the last day of the disclosure period:

2.2.6.1 no associate of the Company had any interest in or right to subscribe for relevant securities of the Company or had any short position in relevant securities of the Company;

2.2.6.2 none of the Directors and any person in whose interests in shares any Director is taken to be interested pursuant to part 22 of the Companies Act 2006 and related regulations had any interest in or rights to subscribe for relevant securities of the Company or had any short position in relevant securities of the Company;

2.2.6.3 none of the TCL Directors and any person in whose interests in shares the TCL Directors is taken to be interested pursuant to part 22 of the Companies Act 2006 and related regulations had any interest in, or right to subscribe for, relevant securities of the Company or had any short position in relevant securities of the Company;

2.2.6.4 no person acting in concert with TCL had any interest in, or right to subscribe for any relevant securities of the Company or had any short position in relevant securities of the Company;

2.2.6.5 TCL had not, nor had any person acting in concert with Teichmann, borrowed or lent any relevant securities of the Company (save for any borrowed shares which have either been on-lent or sold);

2.2.6.6 neither the Company nor any person acting in concert with it had borrowed or lent any relevant securities of the Company (save for any borrowed shares which have been either on-lent or sold).

**2.3 Interests in relevant securities of TCL**

Except as set out in paragraph 1.1 of this part 2, as at the last day of the disclosure period, none of the Company or any of the Directors had any interest in, or right to subscribe for, relevant securities of TCL or had any short position in relevant securities of TCL.

**2.4 Dealings in relevant securities of TCL**

During the disclosure period, there were no dealings in relevant securities of TCL by any of the Company or the Directors.

**2.5 General**

Save as disclosed in this document:

2.5.1 none of TCL, the TCL Directors and (so far as the TCL Directors are aware having made due and careful enquiry) any person acting in concert with TCL:

2.5.1.1 had an interest in, or a right to subscribe for, relevant securities of the Company as at the last day of the disclosure period;

2.5.1.2 engaged in any dealing in relevant securities of the Company during the disclosure period; or

2.5.1.3 had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities of the Company as at the last day of the disclosure period;

2.5.2 none of the Company and any of the Directors:

2.5.2.1 had an interest in, or a right to subscribe for, relevant securities of the Company or relevant securities of TCL as at the last day of the disclosure period;

2.5.2.2 engaged in any dealing in relevant securities of the Company or relevant securities of TCL during the disclosure period; or

2.5.2.3 had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities of the Company or relevant securities of TCL as at the last day of the disclosure period;

2.5.3 so far as the Directors are aware (having made due and careful enquiry), no associate of the Company:

2.5.3.1 had an interest in or a right to subscribe for relevant securities of the Company as at the last day of the disclosure period;

2.5.3.2 engaged in any dealing in relevant securities of the Company during the disclosure period;

- 2.5.3.3 had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities of the Company as at the last day of the disclosure period;
- 2.5.4 there is no arrangement (including any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature) relating to relevant securities of the Company which may be an inducement to deal or refrain from dealing which exists between:
- 2.5.4.1 TCL or any person acting in concert with TCL and any other person; or
- 2.5.4.2 the Company, any associate of the Company (by virtue of paragraphs 2.1(b)(i) to (v) of the definition of associate) or any director of any paragraph (i) associate of the Company and any other person; and
- 2.5.5 there is no agreement, arrangement or understanding between TCL and any other person (other than another member of the Teichmann Concert Party) pursuant to which any Ordinary Shares which they will acquire on refinancing of the SLNs through the issue of the Subscription Shares or on conversion of Existing CLNs or NCLNs pursuant to the NCLN Subscription will be transferred.

## 2.6 Irrevocable Undertakings

- 2.6.1 Irrevocable undertakings to exercise voting rights and to vote in favour of the Waiver Resolution have been given by the Independent Directors in respect of the following holdings of Ordinary Shares:

<b>Name of Director</b>	<b>Number of Ordinary Shares</b>
David Facey	112,285
Tim Leslie	21,274

These undertakings represent 0.62% of the issued ordinary share capital of the Company as at the last day of the disclosure period.

Irrevocable undertakings to exercise voting rights and to vote in favour of the Resolutions (other than the Waiver Resolution) have been given by the Directors in respect of the following holdings of Ordinary Shares:

<b>Name of Director</b>	<b>Number of Ordinary Shares</b>
David Facey	112,285
Tim Leslie	21,274
Michael Houston	144,285

These undertakings represent 1.28% of the issued ordinary share capital of the Company as at the last day of the disclosure period.

The undertakings remain binding until either the NCLN Subscription has become unconditional and completed or the Resolutions have failed to be passed at the Annual General Meeting or the NCLN Subscription otherwise

does not become unconditional. Whilst the undertakings are binding, the persons giving the undertaking have agreed not to take any action which may prevent, frustrate or be prejudicial to the passing of the Resolutions and the NCLN Subscription.

### 3 MIDDLE-MARKET QUOTATIONS FOR ORDINARY SHARES

The following table lists the closing middle market quotations for the Ordinary Shares (as derived from the Daily Official List of the London Stock Exchange) for the first business day of each of the six months immediately before the date of this document and on the latest practicable date prior to the publication of this document:

<b>Date</b>	<b>Price per Ordinary Share (pence)</b>
1 March 2022	44.5
1 April 2022	36.0
3 May 2022	34.5
1 June 2022	20.5
1 July 2022	12.5
1 August 2022	8.0
12 August 2022	8.0

*Source: Bloomberg*

### 4 FURTHER INFORMATION ON THE TEICHMANN FINANCING

#### 4.1 Subscription Agreement

On 4 July 2022 the Company and Noteholders entered into the Subscription Agreement pursuant to which, subject to certain conditions, the Noteholders agreed to subscribe for the SLNs, to apply the redemption proceeds of the SLNs to subscribe for the Subscription Shares and to subscribe for New Convertible Loan Notes.

Subscription for the SLNs was conditional upon (a) the Company and Kareevlei obtaining exchange control approval to the application of the subscription proceeds by the Company to the making of a loan to Kareevlei and (b) the Governance Agreement becoming unconditional.

Subscription for the Subscription Shares and the New Convertible Loan Notes is subject to the approval of the Resolutions, the entry into of the Existing CLN Amendment Deed and, if South African Mining Ministry approval has been obtained, the grant of security to the Noteholders.

The agreement contains warranties from the Company to the Noteholders, limited in time and amount, covering financial and trading matters.

The agreement was supplemented by an agreement dated 15 August 2022 pursuant to which the Company agreed to provide additional security to TCL and TSA as set out in paragraph 4.7 below. In addition, the Noteholders agreed to subscribe for up to 2,785,714 Ordinary Shares at 7p per share. The subscription is conditional upon the passing of Resolutions 1, 2 and 3 at the AGM and will be scaled back pro-rata should



shareholders and investors independent of the Teichmann Concert Party not take up their pro-rata share of the Broker Option.

#### 4.2 Simple Loan Note Instrument

An instrument executed by the Company on 4 July 2022 and restated on 15 August 2022 under which £1,066,411 Simple Loan Notes are to be issued to the Noteholders. The SLNs are redeemable on 7 September 2022 with zero interest payable.

Subject to the passing of the Resolutions, the SLNs will be redeemed for the New Conversion Shares, issued at £0.07 per share.

If the Resolutions are not approved by 7 September 2022, the Company will be required to redeem the Simple Loan Notes at the amount invested by the Noteholders plus the greater of £1,000,000 and the market value of the New Conversion Shares had they been issued.

The instrument contains covenants from the Company in favour of the Noteholders, including a covenant to ensure that the Kareevlei mining project is diligently developed in accordance with applicable laws and authorisations and a covenant to renew its mining licences by 30 June 2023. The default provisions include standard events such as insolvency but also the cancellation of the Company's AIM admission and suspension of trading in the Ordinary Shares. The SLNs are transferable and, subject to South African Mining Ministry approval, to be secured over the Company's shares in Kareevlei.

#### 4.3 New Convertible Loan Note Instrument

An instrument executed by the Company on 4 July 2022 and restated on 15 August 2022 under which, subject to the approval of the Resolutions and other conditions in the Subscription Agreement, £583,476 NCLNs will be issued to the Noteholders. The NCLNs are redeemable on 30 November 2025 and are convertible into Ordinary Shares at a price of £0.07 per share. The instrument contains the same covenants, default, security and transfer provisions as the SLNs.

#### 4.4 Existing CLN Amendment Deed

A deed to be executed by the Company amending and restating the Existing CLN of £1,610,000, to provide for redemption and to run to an extended term of 30 November 2025. It will also remove applicable interest to its maturity and amend the conversion price from 40 pence to 24.9 pence (which will not alter the maximum number of shares to be issued under the Existing CLN, being 6,465,247 Ordinary Shares). The Existing CLNs, as amended and restated, will be secured on the same basis as the NCLNs. The terms of the Existing CLN, the SLN and NCLN are substantially the same (aside from the maturity date of the SLNs and the SLNs not being convertible).

#### 4.5 Facility Agreement

A facility agreement dated 4 July 2022 between Kareevlei and TSA for up to ZAR30 million which reduces to ZAR20 million after the first 180 days. Subject to South African regulatory approvals, where relevant, the facility will be secured over the plant, machinery, equipment and other moveable assets of Kareevlei. Subject to South African regulatory approvals, where relevant, the facility will also be guaranteed by the Company in favour of TSA and secured by a charge over the Company's bank accounts for the benefit of TSA and the holders of the Existing CLNs, SLNs and New CLNs.

The facility is to be used to discharge existing outstanding mining fees and sums due under the mining services agreement (described in paragraph 5.2.3.3) together with other working capital requirements as approved by the lender.

Interest of 3% pa over the prime overdraft rate of the Standard Bank of South Africa Limited is rolled up.

The facility is due for repayment as to ZAR10 million in six equal instalments at the end of each calendar month after the effective date (being the date on which the borrower satisfies the conditions precedent to drawdown); as to the outstanding balance at the first anniversary of the effective date, in six equal instalments at the end of each calendar month after the first anniversary of the effective date; and the balance is due eighteen months after the effective date.

The agreement contains market standard covenants, warranties and default provisions and is governed by the laws of the Republic of South Africa.

#### 4.6 Broker option

A placing agreement between the Company and SP Angel dated 15 August 2022 pursuant to which the Company granted to SP Angel an option to require the Company to fulfil applications for up to 4,285,714 Ordinary Shares at 7p per share, conditional upon the passing of Resolutions 1, 2 and 3 at the AGM. The agreement contains certain warranties and indemnities from the Company in favour of SP Angel. The Broker Option is not being underwritten by SP Angel or any other person.

#### 4.7 Security documents

Pursuant to the Subscription Agreement and the Facility Agreement, the Company has secured its obligations under the Existing CLNs, the SLNs and NCLNs and Kareevlei's obligations under the Facility Agreement, mining agreement and under any acknowledgment of debt or agreed indebtedness by entering into a charge over its shares in Kareevlei, a charge with TCL over the Company's bank accounts, a security trust deed with TCL as security trustee for the Noteholders and a guarantee with TSA, all dated 15 August 2022. Subject to South African regulatory approvals, where relevant Kareevlei will enter into notarial bonds over the plant, machinery, equipment and other moveable assets of Kareevlei.

## 5 FURTHER INFORMATION ON THE COMPANY

### 5.1 Directors letters of engagement and service contracts

The following directors have entered into the following service contracts, which have not been replaced or amended (other than routine pay reviews):

5.1.1 Mr Houston was appointed Non-Executive Chairman of the Company on 8 November 2018. With the departure of the then CEO, Mr Houston became acting Executive Chairman, and the Company entered into a service agreement with Michael Houston on 1 January 2020 pursuant to which Mr Houston agreed to act as Executive Chairman of the Company with effect from 1 January 2020 on the terms set out in the agreement. Under the agreement, Mr Houston is entitled to a salary and to participate in the Company's incentive scheme as agreed by the remuneration committee. The Company will reimburse Mr Houston's reasonable expenses wholly, exclusively and necessarily incurred on behalf of the Company in the proper performance of his duties under the agreement. The period of notice required to be given by either party to terminate the agreement is not less than three months' prior written notice.

5.1.2 The Company entered into a service agreement with Robert Croll on 21 May 2021 pursuant to which Mr Croll agreed to act as non-executive director of the Company with effect from 21 May 2021 on the terms set out in the agreement.

Under the agreement, Mr Croll is entitled to a salary, and the Company will reimburse Mr Croll's reasonable and properly incurred expenses incurred by him on behalf of the Company. The period of notice required to be given by either party to terminate the agreement is not less than one month's prior written notice.

- 5.1.3 The Company entered into a service agreement with David Facey on 1 March 2019 pursuant to which Mr Facey agreed to act as Chief Financial Officer of the Company with effect from 1 March 2019 on the terms set out in the agreement. Under the agreement, Mr Facey is entitled to a salary and to participate in the Company's incentive scheme as agreed by the remuneration committee. The Company will reimburse Mr Facey's reasonable expenses wholly, exclusively and necessarily incurred on behalf of the Company in the proper performance of his duties under the agreement. The period of notice required to be given by either party to terminate the agreement is not less than three months' prior written notice.
- 5.1.4 The Company entered into a service agreement with Timothy Leslie on 1 July 2019 pursuant to which Mr Leslie agreed to act as Director of the Company with effect from 1 July 2019 on the terms set out in the agreement. In addition he is entitled to participate in the Company's incentive scheme as agreed by REMCO. The Company will reimburse Mr Leslie's reasonable expenses wholly, exclusively and necessarily incurred on behalf of the Company in the proper performance of his duties under the agreement. The period of notice required to be given by either party to terminate the agreement is not less than three months' prior written notice.
- 5.1.5 The Company does not have a service agreement or letter of appointment in place with Gary Teichmann.

## 5.2 **Material contracts**

The following contracts (being contracts otherwise than in the ordinary course of business) have been entered into by the Company within the two years immediately preceding the date of this document and are or may be material:

### 5.2.1 Relationship Agreement

The Company, SP Angel and TCL entered into a relationship agreement on 4 July 2022. For so long as TCL and its associates retain a shareholding of 10% or more in the Company, TCL has undertaken, among other things, to exercise its voting rights to ensure: that the Company can carry on its business independently of TCL and its associates; all transactions with TCL and its associates are at arms' length, on a normal commercial basis and with the approval of the independent directors; that there are at least two independent directors; and that only the independent directors be permitted to vote on certain reserved matters.

For so long as TCL and its associates retain a shareholding of 10% or more in the Company, TCL will have the right to appoint a director to the Company's board; it may appoint a second director when its shareholding is 20% or more and a third director if the number of independent directors is three or an equal number of directors as independent directors if more than three.

TCL has the right to participate in any share issues of the Company (on the same terms) in order to maintain its shareholding in the Company (calculated on a fully diluted basis).

### 5.2.2 Kareevlei Governance Agreement

The Company, Kareevlei, TCI and TSA entered into a governance agreement on 4 July 2022 relating to Kareevlei and Ghaap Mining Proprietary Limited entered into a deed of adherence relating to the governance agreement on 18 July 2022.

The parties agreed that Kareevlei should have a minimum of six and a maximum of eight directors: the Company may appoint one director and the ex-officio CEO and CFO; Ghaap Mining Proprietary Limited may appoint one director for so long as it is a material shareholder; any other material shareholder may appoint one director; TCI may appoint one director. The chair of the board will be appointed by the Company and will have a casting vote. A management committee is to be formed with terms of reference agreed by the Company and TCI; the committee will not be quorate unless an independent technical expert is present.

The agreement includes provisions relating to the agreement of the annual programme and budget and their implementation and relating to financial and other reporting. The agreement is governed by the laws of the Republic of South Africa.

### 5.2.3 Mining services agreements

#### 5.2.3.1 Numovista agreement:

On 18 February 2020 Kareevlei entered into a Sale of Assets Agreement with Numovista Proprietary Limited. Under the Agreement, Numovista agreed to sell mining equipment to Kareevlei Mining Proprietary Limited for a purchase price of R12,284,171.31, excluding VAT. R150,000 was paid on signing of the agreement and R337,060.31 was paid on completion. The balance of the purchase price will be paid in 35 equal monthly instalments of R337,060 each and R2,761,867 currently remains outstanding. The agreement is governed by the law of the Republic of South Africa.

#### 5.2.3.2 Binvic agreement:

On 29 June 2021 the Company, Kareevlei and Binvic Proprietary Limited executed a Services Supply contract. Under the agreement, Binvic agreed to act as the contractor of certain services connected with construction works at Kareevlei Diamond mine. The consideration for the services under the agreement was paid by Kareevlei to Binvic partly in cash and partly by means of Kareevlei procuring the issue of Ordinary Shares to Binvic.

#### 5.2.3.3 TSA agreement:

On 5 August 2019, an agreement was entered into between TSA as Contractor and Kareevlei as Employer for the provision of mining services (primarily the development of the mine and extraction of ore) on or before 28 February 2026 by the Contractor to the Employer on the terms set out in the contract. This agreement was amended on 7 June 2021 to reflect the increased throughput and the consequent increase in the size of the required mining fleet.

## 5.3 Litigation

- 5.3.1 Other than as disclosed in paragraph 5.3.2, the Company is not involved in any governmental, legal or arbitration proceedings which are having, may have or have had, in the previous 12 months, a significant effect on its financial position

and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

5.3.2 The amount payable to CB Visser and his related companies is currently under dispute. CB Visser is a former director and CEO of both the Company and Kareevlei, who resigned during September 2016. The total claim submitted by him amounts to £222,164 of which £170,598 has been accounted for under trade and other payables in the Company's accounts for the financial year ended 31 December 2021. The Group has given security for the amount of £206,418 in respect of this claim. This security is held in trust by the Group's lawyers. The Company's legal advisors are of the opinion that, based on current available information, the claims are without merit.

#### 5.4 **No significant change**

Except as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 December 2021, being the date to which the last consolidated annual report and financial statements, incorporated by reference in paragraph 8 of part 2 of this document, were published.

### 6 **GENERAL**

6.1 SP Angel has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references thereto in the form and context in which they appear.

6.2 Except for the Relationship Agreement (further details on which are set out in paragraph 5.2.1 above), there is no relationship (personal, financial or commercial), arrangement or understanding between members of the Teichmann Concert Party and SP Angel or any person who is, or is presumed to be, acting in concert with SP Angel.

6.3 SP Angel, as Nominated Adviser and corporate broker to the Company, is considered to be a person acting in concert with the Company.

### 7 **DOCUMENTS FOR INSPECTION**

Copies of the documents listed below will be available free of charge for 12 months from date of the Circular, on the Company's website at [www.bluerockdiamonds.co.uk](http://www.bluerockdiamonds.co.uk):

7.1 the Circular;

7.2 memorandum and articles of association of the Company and of TCL;

7.3 the material contracts of the Company referred to in paragraph 5.1 of this part 2;

7.4 the Subscription Agreement, Simple Loan Note Instrument, New Convertible Loan Note Instrument, Existing CLN Amendment Deed and Facility Agreement summarised at paragraph 4 of this part 2;

7.5 the service contracts referred to in paragraph 5.1 of this part 2;

7.6 the irrevocable undertakings referred to in paragraph 2.6 of this part 2; and

7.7 the consent letter from SP Angel referred to in paragraph 6 of this part 2.

## 8 DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference and are available on the Company's website [www.bluerockdiamonds.co.uk](http://www.bluerockdiamonds.co.uk),

Your attention is drawn to the following documents (or parts thereof) that are incorporated by reference into this Circular:

- 8.1 The Company's published Annual Report and Accounts for the last two financial years ended 31 December 2020 and 31 December 2021 (including significant accounting policies together with any points from the notes to accounts which are of major relevance to an appreciation of the figures). The information within these consolidated financial statements has not been published in an inflation adjusted form and is available in a "read-only" format.

Information incorporated by reference	Document reference	Page number(s) in such document
Annual report and Accounts for BlueRock for the year ending 31 December 2020	Consolidated statement of comprehensive income	43
	Consolidated statement of financial position	42
	Consolidated statement of changes in equity- Group	44
	Consolidated statement of changes in equity- Company	45
	Consolidated statement of cash flows	46
	Notes to the financial statements	64-95
	Independent auditor's opinion	34-41
Annual report and Accounts for BlueRock for the year ending 31 December 2021	Consolidated statement of comprehensive income	44
	Consolidated statement of financial position	43
	Consolidated statement of changes in equity- Group	45
	Consolidated statement of changes in equity- Company	46
	Consolidated statement of cash flows	47

	Notes to the financial statements	66-99
	Independent auditor's opinion	34-42

Any Shareholder, person with information rights or other person to whom this Circular is sent may request a copy of each of the documents set out above, including the Circular, in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company Secretary at the Company's registered office, 4<sup>th</sup> Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS (telephone number +44 (0)207 236 1177). All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two Business Days following such request.

The documents incorporated by reference into this Circular have been incorporated in compliance with Rule 24.15 of the Takeover Code and are available from the Company's website [www.bluerockdiamonds.co.uk](http://www.bluerockdiamonds.co.uk). Except as set forth above, no other portion of these documents are incorporated by reference into this Circular.

15 August 2022

# BLUEROCK DIAMONDS PLC

(Registered in England and Wales with No. 08248437)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of BlueRock Diamonds plc (“**Company**”) will be held at 10.00 am on 7 September 2022 at the offices of SP Angel, Prince Frederick House, 35-39 Maddox Street, London W1S 2PP for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and taken on a poll of independent shareholders, resolution 2 will be proposed as an ordinary resolution, resolution 3 will be proposed as a special resolution and resolutions 4, 5, 6 and 7 will be proposed as ordinary resolutions. Words and expressions defined in the circular accompanying this notice (“**Circular**”) shall have the same meanings in this notice.

### Resolution 1 – ordinary resolution, on a poll

THAT the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on Teichmann Company Limited and persons acting in concert with it to make a general offer to shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers (“**City Code**”) as a result of the issue of Subscription Shares to the Teichmann Concert Party and/or the exercise of conversion rights and allotment and/or issue of Existing Conversion Shares and New Conversion Shares under the Existing CLN (as amended by the Existing CLN Amendment Deed) and/or the NCLN, the issue of Ordinary Shares pursuant to the Broker Option and/or the exercise of options held by Michael Houston, pursuant to the proposals described in the Circular, is hereby approved.

*Note: in order to comply with the City Code, the Resolution will be taken on a poll; TCL and shareholders acting in concert with it, which are disenfranchised from voting, have undertaken not to vote on this Resolution.*

### Resolution 2 – ordinary resolution

That, conditional on the passing of Resolution 1 above, the Directors be and they are generally and unconditionally authorised in accordance with section 551 of the Companies 2006 Act (“**CA 2006**”) to exercise all powers of the Company to allot ordinary shares of £0.05 each in the capital of the Company (“**Ordinary Shares**”) up to an aggregate nominal amount of:

- (i) £761,721.85 for the allotment and/or issue of the Subscription Shares;
- (ii) £416,961.45 for the allotment and/or issue of the New Convertible Loan Notes and conversion thereof into, and allotment and/or issue of, New Conversion Shares;
- (iii) £323,262.35 for the conversion of the Existing CLN, as amended or to be amended by the Existing CLN Amendment Deed, into, and allotment and/or issue of, Existing Conversion Shares;
- (iv) £214,285.71 for the allotment and/or issue of shares pursuant to the Broker Option;

provided this authority shall expire at whichever is the earlier of the conclusion of the next Annual General Meeting of the Company and 31 July 2023. This authority revokes and replaces all unexercised authorities previously granted to the Directors to allot or grant rights over Ordinary Shares, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

### Resolution 3 – special resolution

That, conditional on the passing of Resolutions 1 and 2 above, the Directors be and they are empowered pursuant to Section 571 CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) for cash pursuant to the authority conferred by Resolution 2 above as if section 561(1) CA 2006 did not



apply to any such allotment, provided that this power shall be limited to the allotment of Ordinary Shares up to an aggregate nominal amount of:

- (i) £761,721.85 for the allotment and/or issue of the Subscription Shares;
- (ii) £416,961.45 for the allotment and/or issue of the New Convertible Loan Notes and conversion thereof into, and allotment and/or issue of, New Conversion Shares;
- (iii) £323,262.35 for the conversion of the Existing CLN, as amended or to be amended by the Existing CLN Amendment Deed, into, and allotment and/or issue of, Existing Conversion Shares;
- (iv) £214,285.71 for the allotment and/or issue of shares pursuant to the Broker Option;

and will expire at whichever is the earlier of the conclusion of the next Annual General Meeting of the Company and 31 July 2023. This authority revokes and replaces all such unexercised authorities previously granted to the Directors to allot or grant rights over Ordinary Shares, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

#### **Resolution 4 – ordinary resolution**

To receive the financial statements for the 12 month period ended 31 December 2021 and the reports of the directors and the independent auditors as set out in the annual report and accounts.

#### **Resolution 5 – ordinary resolution**

To re-appoint Gary Teichmann as a director, who is retiring in accordance with the articles of association of the Company, and who being eligible offers himself for election.

#### **Resolution 6 – ordinary resolution**

To re-appoint Tim Leslie as a director, who is retiring in accordance with the articles of association of the Company, and who being eligible offers himself for election.

#### **Resolution 7 – ordinary resolution**

To re-appoint BDO LLP as independent auditors and to authorise the directors to fix their remuneration.

By order of the Board  
David Facey  
Company Secretary  
15 August 2022

Registered office:  
4th Floor Reading Bridge House,  
George Street,  
Reading,  
Berkshire RG1 8LS

## NOTES

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Proxy Form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. You can register your votes for the Annual General Meeting either:
  - by logging on to [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the “Proxy Vote” button and then following the on-screen instructions;
  - by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice;
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in notes 7 to 10 below.

In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by 10.00 a.m. on 5 September 2022.

3. The return of a completed Proxy Form will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 10.00 am on 5 September 2022 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the Annual General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6 pm on the day preceding the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. As at 12 August 2022 (being the last business day prior to publication of this notice), the Company’s issued share capital consisted of 21,776,755 Ordinary Shares each carrying one vote. Therefore, the total voting rights in the Company as at 12 August 2022 are 21,776,755.
6. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then, on a poll, those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above. In particular, the Company notes the recommendation of the Institute of Chartered Secretaries and Administrators that corporate shareholders intending to vote part(s) of their shareholdings in different ways appoint proxies rather than corporate representatives.

7. 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) 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment 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 (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA36) by 10.00 a.m. on 5 September 2022. 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.
9. 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 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as are 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.
10. 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.

