

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or as to what action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised pursuant to the Financial Services and Markets Act 2000 (as amended) (or, if you are outside the United Kingdom, a person otherwise duly qualified in your jurisdiction) who specialises in advising on the acquisition of shares and other securities.**

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares in Sula Iron & Gold plc, you should immediately forward this Document, together with the attached Form of Proxy, as soon as possible 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. If you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares, you should retain these documents.

The Company's Existing Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares including the Placing Shares to be admitted to trading on AIM. No application has been made, or is currently intended to be made, for the New Ordinary Shares including the Placing Shares to be admitted to trading or dealt in on any other exchange. It is expected that, subject to, *inter alia*, the passing of all of the Resolutions at the General Meeting, admission to AIM will become effective and dealings will commence in the Placing Shares and the New Ordinary Shares at 8.00 a.m. on 28 December 2017.

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# **Sula Iron & Gold plc**

*(Incorporated and registered in England and Wales with company number 7800337)*

**Proposed placing and subscription to raise approximately £1,750,000  
Settlement and termination of the Riverfort Facility and associated buy-back of  
ordinary shares from D-Beta**

**Acquisition of a controlling interest in a Cobalt Licence**

**Change of name**

**Proposed Share Capital Reorganisation and amendments to the Articles of Association  
and**

**Notice of General Meeting**

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**This Document should be read in its entirety. Your attention is drawn, in particular, to the letter from Roger Murphy, the Chief Executive Officer of the Company, which is set out on pages 10 to 15 of this Document and which contains your Board's unanimous recommendation to vote in favour of all of the Resolutions to be proposed at the General Meeting referred to below.**

This Document does not constitute a prospectus for the purpose of the Prospectus Rules neither does it constitute an admission document drawn up in accordance with the AIM Rules. This Document has not been approved by the Financial Conduct Authority or by any other authority in any jurisdiction.

This Document and the attached Form of Proxy should not be forwarded or transmitted in or into the United States, Canada, Australia, South Africa or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this Document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document contains forward-looking statements with respect to the Company and the proposals set out in this Document. These statements involve known and unknown risks and uncertainties as they relate to and depend on circumstances that occur in the future. Actual results may differ materially from those expressed in the forward-looking statements.

**Notice convening a General Meeting of Sula Iron & Gold plc, to be held at Michelmores LLP, 12th Floor, 6 New Street Square, London EC4A 3BF, on 27 December 2017 at 10.00 a.m. is set out at the end of this Document. Whether or not you intend to be present at the General Meeting, you are urged to complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to arrive as soon as possible and, in order to be valid, in any event not later than 10.00 a.m. on 21 December 2017. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they subsequently wish to do so.**

This Document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

WH Ireland Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company. Persons receiving this Document should note that WH Ireland Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of WH Ireland Limited, as applicable, or for advising any other person on the proposals described in this Document. WH Ireland Limited have not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by WH Ireland Limited for the accuracy of any information or opinions contained in this Document or for the omission of any information.

SP Angel Corporate Finance LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as broker to the Company in connection with the Placing. Persons receiving this Document should note that SP Angel Corporate Finance LLP will not be responsible to anyone other than the Company for providing the protections afforded to clients of SP Angel Corporate Finance LLP, as applicable, or for advising any other person on the proposals described in this Document. SP Angel Corporate Finance LLP has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by SP Angel Corporate Finance LLP for the accuracy of any information or opinions contained in this Document or for the omission of any information.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturdays, Sundays and public holidays) from the date hereof until 22 December 2017 from the Company's registered office and at the General Meeting. Copies will also be made available to download from the Company's website at [www.sulaironandgold.com](http://www.sulaironandgold.com).

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	8 December 2017
Latest time and date for return of Forms of Proxy	10.00 a.m. on 21 December 2017
General Meeting	10.00 a.m. on 27 December 2017
Record Time for the Share Capital Reorganisation and final date of trading for the Existing Ordinary Shares	6.00 p.m. on 27 December 2017
Admission effective and dealings in the New Ordinary Shares, the Placing Shares, the Subscription Shares and Fee Shares expected to commence on AIM	8.00 a.m. on 28 December 2017
Expected date of Company's name change becomes effective	29 December 2017
Expected date for CREST members' accounts to be credited (where applicable) with Placing Shares and Subscription Shares in uncertificated form	28 December 2017
Expected date for despatch of definitive share certificates in respect of the Placing Shares and Subscription Shares in certificated form (where applicable)	by 12 January 2018

**Notes:**

1. References to times and dates in this Document are to times and dates in London (unless otherwise stated).
2. The timing of the events set out in the above timetable and in the remainder of this Document is indicative only. If any of the above times and/or dates should change, the revised times and/or dates will be notified via an announcement through a Regulatory Information Service.
3. Temporary documents of title will not be issued.

## KEY STATISTICS

Placing Price	0.05 pence
Number of Existing Ordinary Shares	3,271,746,363
Number of New Ordinary Shares in issue following the Share Capital Reorganisation	3,271,746,363
Number of Deferred A Shares in issue following the Share Capital Reorganisation	3,271,746,363
Number of Placing Shares and Subscription Shares being issued by the Company	3,500,000,000
Number of Fee Shares and Settlement Shares being issued by the Company	211,228,308
Gross proceeds of the Fundraising	£1,750,000
Enlarged Share Capital	6,982,974,671
Placing Shares, Subscription Shares, Fee Shares and Settlement Shares as a percentage of the Enlarged Share Capital	53.15 per cent.
Market capitalisation of the Company on Admission at the Placing Price	Approx. £3.5 million
New EPIC code	ABM

## DEFINITIONS

The following definitions apply throughout this Document unless otherwise stated or the context otherwise requires:

<b>“Acquisition”</b>	the acquisition by Sula of a 70% interest in the Cobalt Licence, further details of which are set out on page 12 of this Document;
<b>“Act”</b>	the UK Companies Act 2006 (as amended from time to time);
<b>“Admission”</b>	admission of the New Ordinary Shares, comprising the Placing Shares, the Subscription Shares, the Fee Shares and the Settlement Shares, to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the London Stock Exchange’s rules and guidance notes contained in its “AIM Rules for Companies” publication relating to companies whose securities are traded on AIM, as amended from time to time;
<b>“Articles”</b>	the articles of association of the Company;
<b>“Blue Horizon”</b>	Blue Horizon (SL) Ltd, the Company’s wholly owned Sierra Leone subsidiary which holds the 152km <sup>2</sup> Ferensola Licence which is prospective for gold and iron;
<b>“Cobalt Licence”</b>	a 50km <sup>2</sup> cobalt and copper exploration licence situated in the Katanga region of the DRC with number PR12728;
<b>“Completion”</b>	the completion of the Fundraising which is subject, inter alia, to requisite approval of each of the Resolutions by Shareholders;
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;

<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
<b>"D-Beta"</b>	D-Beta One EQ Ltd, an exempted company incorporated in the Cayman Islands with limited liability and whose registered office is c/o Maples Corporate Services Ltd, PO Box 309 Umland House, Grand Cayman, KY1-1104, Cayman Islands;
<b>"D-Beta New Shares"</b>	the 532,438,356 New Ordinary Shares that will be held by D-Beta following the passing of the Resolutions;
<b>“Deferred A Shares”</b>	the proposed new deferred shares of 0.099 pence each in the capital of the Company to be created pursuant to the Share Capital Reorganisation;
<b>“Directors” or “Board”</b>	the directors of the Company, whose names appear on page 10 of this Document;
<b>“Document”</b>	this document dated 8 December 2017;
<b>“DRC”</b>	the Democratic Republic of Congo;
<b>“DRC SPV”</b>	the DRC registered special purpose vehicle to be incorporated by Sula into which all of Sula’s and the Vendor’s interests in the Cobalt Licence will be transferred;
<b>“Enlarged Share Capital”</b>	the total number of New Ordinary Shares in issue upon completion of the Share Capital Reorganisation, including the Placing Shares, the Subscription Shares, the Fee Shares and the Settlement Shares;
<b>“Equity Sharing Agreement”</b>	the agreement entered into by the Company and D-Beta (as introduced by Riverfort Global Capital) as announced on 21 August 2017;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, a company incorporated in England & Wales with registration number 02878738, being the operator of CREST;

<b>“Existing Ordinary Shares”</b>	the existing ordinary shares of 0.1 pence each in the capital of the Company;
<b>“FCA”</b>	the United Kingdom’s Financial Conduct Authority;
<b>“Fundraising”</b>	the £1,750,000 (gross) to be raised for the Company pursuant to the Placing and the Subscription;
<b>“Fee Shares”</b>	the 50,000,000 New Ordinary Shares to be issued to Jaybird in part settlement of the introductory fee of £55,000 payable in relation to the Acquisition;
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting, which is enclosed with this Document;
<b>“General Meeting”</b>	the general meeting of the Company to be held on 27 December 2017 at 10.00 a.m. as convened by the Notice set out at the end of this Document;
<b>“Jaybird”</b>	Jaybird Invest Ltd, a Seychelles registered company in which Iain Macpherson, a director of the Company, holds a beneficial interest;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“New Ordinary Shares”</b>	the proposed new ordinary shares of 0.001 pence each in the capital of the Company to be created pursuant to the Share Capital Reorganisation;
<b>“Notice”</b>	the notice of General Meeting set out at pages 16 to 19 of this Document;
<b>“Placees”</b>	the placees subscribing for the Placing Shares pursuant to the Placing;
<b>“Placing”</b>	the conditional placing by SP Angel to institutional and other investors of the Placing Shares at the Placing Price;
<b>“Placing Agreement”</b>	the conditional agreement dated 8 December 2017 between (1) the Company and (2) SP Angel, relating to the Placing;

<b>“Placing Price”</b>	means 0.05 pence per Placing Share;
<b>“Placing Shares”</b>	the 3,000,000,000 New Ordinary Shares to be issued by the Company and subscribed for pursuant to the Placing;
<b>“Record Time”</b>	the record date and time for implementation of the Share Capital Reorganisation, being 6.00 p.m. on 27 December 2017, being the date of the General Meeting (or, if the General Meeting is adjourned, 6.00 p.m. on the date of the passing of the Share Capital Reorganisation Resolutions);
<b>“Related Party Transaction”</b>	a related party transaction, as defined by the AIM Rules, and as set out in this Document;
<b>“Registrar”</b>	Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR;
<b>“Regulatory Information Service”</b>	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
<b>“Resolutions”</b>	the resolutions contained in the Notice;
<b>“Riverfort Facility”</b>	the facility arranged by Riverfort Global Capital comprising the subscription for shares by D-Beta and the entering into by the Company with D-Beta of the Equity Sharing Agreement as announced on 21 August 2017;
<b>“Share Capital Reorganisation”</b>	the proposed reorganisation of the Company’s share capital resulting in the division of each Existing Ordinary Share into one New Ordinary Share and one Deferred A Share further details of which are set out in the letter from the Chief Executive Officer of the Company on pages 10 to 15 of this Document;
<b>“Shareholders”</b>	the holders of Existing Ordinary Shares or, (following the Record Time) the holders of New Ordinary Shares from time to time;
<b>“Settlement Shares”</b>	the 161,228,308 New Ordinary Shares to be issued to certain of the Company’s Directors and other creditors in settlement of outstanding fees and other sums;

<b>“SP Angel”</b>	SP Angel Corporate Finance LLP, broker to the Placing, a company incorporated in England and Wales with registered number OC317049;
<b>"Subscription"</b>	the conditional cash subscription for 500,000,000 New Ordinary Shares at the Placing Price arranged by SP Angel;
<b>"Subscription Shares"</b>	the 500,000,000 New Ordinary Shares to be issued pursuant to the Subscription;
<b>“Sula” or the “Company”</b>	Sula Iron & Gold plc, a company incorporated and registered in England and Wales with company number 7800337;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>“Vendor”</b>	Jean-Pierre Ndobu Mwamby, the previous owner of the Cobalt Licence and who, following the Acquisition, now retains a 30% non-dilute carried interest in the Cobalt Licence up to the decision to mine;
<b>“WH Ireland”</b>	WH Ireland Limited, the nominated adviser to the Company;
<b>“£” or “pence”</b>	pounds sterling, the lawful currency of the UK from time to time with pence being one hundredth of a pound; and
<b>“\$”</b>	Dollars, the lawful currency of the United States of America.

# LETTER FROM THE CHIEF EXECUTIVE OFFICER OF THE COMPANY

## Sula Iron & Gold plc

(Incorporated and registered in England and Wales with company number 7800337)

*Directors:*

Roger Derek Murphy (*Chief Executive Officer*)  
Matthew Graham Wood (*Finance Director*)  
John (Iain) Macpherson (*Non-Executive Director*)

*Registered Office:*

201 Temple Chambers  
3-7 Temple Avenue  
London  
EC4Y 0DT

8 December 2017

*To Shareholders and, for information purposes only, to the holders of options and warrants*

Dear Shareholder,

**Proposed placing and subscription to raise approximately £1,750,000**  
**Settlement and termination of the Riverfort Facility and associated buy-back of**  
**ordinary shares from D-Beta**  
**Acquisition of a controlling interest in the Cobalt Licence**  
**Change of name**  
**Proposed Share Capital Reorganisation and amendments to the Articles of Association**  
**and**  
**Notice of General Meeting**

### **Introduction**

The Company announced today that it has conditionally raised approximately £1,750,000 (before expenses), through the placing of 3,000,000,000 New Ordinary Shares with certain new and existing investors and a subscription for 500,000,000 New Ordinary Shares with a single investor all at a price of 0.05 pence per share (the "**Fundraising**"). The Fundraising, which has been arranged by SP Angel, is conditional, *inter alia*, upon Shareholders' approval of each of the Resolutions and Admission.

The net proceeds of the Fundraising will be used:

1. to capitalise a new company to be incorporated in the DRC which will be 70% owned by Sula and 30% by the Vendor which will hold the Cobalt Licence;
2. to provide working capital to commence systematic geological exploration work under the Cobalt Licence, so commencing the process leading to the definition of an initial JORC-compliant cobalt and copper resource;
3. to buy-back the D-Beta New Shares;
4. to provide working capital to Blue Horizon, the Company's subsidiary which carries out its gold and iron exploration activities in Sierra Leone;
5. to assess other cobalt-copper opportunities in DRC; and
6. for general working capital purposes.

The purpose of this Document is to explain the background to and reasons for, and seek your approval of, the Share Capital Reorganisation, which needs to be effected to enable the Fundraising to proceed, and to explain why the Directors consider the Fundraising and the uses of the Fundraising proceeds to

be in the best interests of the Company and its Shareholders as a whole and unanimously recommend that you vote in favour of all of the Resolutions to be proposed at the General Meeting.

**Shareholders should note that, in the event that the Resolutions are not passed and the Fundraising does not proceed, the Company will need to secure an alternative source of financing by no later than 31 December 2017, in order to satisfy the Company's working capital needs. There can be no guarantee that such alternative financing will be obtainable or will be available on similar commercial terms to the Fundraising.**

Accordingly, set out on pages 16 to 19 is a formal notice convening a General Meeting of Shareholders of the Company which will be held at Michelmores LLP, 12<sup>th</sup> Floor, 6 New Street Square, London EC4A 3BF on 27 December 2017 at 10.00 a.m., at which shareholders will be requested to approve the Resolutions.

### **Details of the Fundraising**

The Company has conditionally raised, in aggregate, approximately £1,750,000 before expenses, through the placing of 3,000,000,000 New Ordinary Shares and a subscription for 500,000,000 New Ordinary Shares each at a placing price of 0.05 pence per New Ordinary Share with certain existing and new investors. The Fundraising, which has been arranged by SP Angel, is conditional, *inter alia*, upon the approval of the Resolutions at the General Meeting and Admission. The Placing Price represents a discount of approximately 44 per cent. to the closing middle market price of 0.9 pence per Existing Ordinary Share on 7 December 2017, being the last business day prior to the announcement of the Fundraising.

Conditional upon completion of the Placing and Subscription, the Company has agreed to settle certain outstanding fees due by the Company through the issue of the Fee Shares and the Settlement Shares. Following completion of the Share Capital Reorganisation and the Fundraising, the Placees and Subscribers, together with the holders of the Fee Shares and the Settlement Shares, will, in aggregate, hold approximately 53.14 per cent. of the Enlarged Share Capital. There are currently 3,271,746,363 Existing Ordinary Shares in issue. Following completion of the Fundraising and the issue of the Fee Shares and the Settlement Shares, there will be 6,982,974,671 New Ordinary Shares and 3,271,746,363 Deferred A Shares in issue. The Placing Shares, Subscription Shares, Fee Shares and Settlement Shares will be fully paid and will rank *pari passu* in all respects with the other New Ordinary Shares.

### **Background to and Reasons for the Share Capital Reorganisation and Amendments to the Articles**

The Act prohibits the Company from issuing ordinary shares at a price below their nominal value. As the Placing Price is less than the current nominal value of the Existing Ordinary Shares, it is necessary to undertake the Share Capital Reorganisation to enable the Fundraising to proceed.

The Company currently has 3,271,746,363 Existing Ordinary Shares in issue. Resolution 1 to be proposed at the General Meeting proposes that each of the Existing Ordinary Shares be divided into one New Ordinary Share and one Deferred A Share, such Deferred A Shares having the rights attached to them as set out in the amendments to the Articles to be adopted pursuant to the approval of Resolution 3.

The New Ordinary Shares will continue to carry the same rights as attached to the Existing Ordinary Shares.

The Deferred A Shares will not entitle the holder thereof to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution. On a return of capital on a winding up or dissolution of the Company, the holders of the Deferred A Shares shall be entitled to participate in the distribution of the assets of the Company *pari passu* with the holders of the New Ordinary Shares, but only in respect of any excess of those assets above £1,000,000,000,000. The holders of the Deferred A Shares shall not be entitled to any further right of participation in the assets of the Company. The Company will have the right to purchase the Deferred A Shares from any

Shareholder for a consideration of one penny in aggregate for all of that Shareholder's Deferred A Shares. As such, the Deferred A Shares effectively have no value. Share certificates will not be issued in respect of the Deferred A Shares and they will not be admitted to trading on AIM.

It is proposed that the Company amend its Articles as set out in Resolution 3. The amended Articles will reflect the rights attaching to the New Ordinary Shares and the Deferred A Shares as well as the existing deferred shares. A copy of the fully amended Articles will be available for inspection at the General Meeting. The practical effect of the Share Capital Reorganisation, if implemented, will be that each Shareholder will receive the same number of New Ordinary Shares as they hold in Existing Ordinary Shares, without any diminution in rights. The Share Capital Reorganisation should not affect the market value of a Shareholder's aggregate holding of shares in the capital of the Company.

Application will be made for the New Ordinary Shares (including the Placing Shares, the Subscription Shares, the Fee Shares and the Settlement Shares) to be admitted to trading on AIM and it is currently expected that admission to trading in the New Ordinary Shares (including the Placing Shares the Subscription Shares, the Fee Shares and the Settlement Shares) will become effective and dealings commence at 8.00 a.m. on 28 December 2017.

#### *Share Certificates and CREST Entitlements*

If you hold your Existing Ordinary Shares in certificated form, your existing share certificate will remain valid. If you hold your Existing Ordinary Shares in uncertificated form, the description of the shares held in your CREST account will be updated accordingly. Shareholders will not be issued with a share certificate in respect of the Deferred A Shares.

#### **Acquisition of the Cobalt Licence**

Sula has today agreed with the Vendor to acquire a 70% interest in the Cobalt Licence for a total consideration of \$100,000, of which \$50,000 has been paid to the Vendor and a deferred payment of a further \$50,000 is payable in five months. Sula is in the process of incorporating the DRC SPV into which Sula and the Vendor will contribute their respective interests in the Cobalt Licence, leading to ownership of the SPV being 70% Sula and 30% the Vendor. Sula will control, manage and operate the DRC SPV.

Exploration activities on the Cobalt Licence prior to a decision to mine are expected to be funded by intra-group loans to the DRC SPV from Sula and the Vendor has a 30% non-dilute carried interest in the Cobalt Licence up to the decision to mine. Following the decision to mine, any further capital requirements of the DRC SPV will be provided in the form of equity to the SPV on a pre-emptive basis.

The ground covered by the Cobalt Licence is close to a number of existing cobalt / copper mines and is on the Roan - the type of rocks which hosts most of DRC's cobalt & copper. There have been some grab samples collected from the Cobalt Licence area by an independent geologist who has reported grades of up to 2.5% cobalt from a Niton XRF field analyser (the standard equipment used in the field for such analysis).

The Acquisition has been introduced to the Company by Jaybird, a company in which Mr Iain Macpherson holds a beneficial interest. The Company has agreed to pay an introducer's fee to Jaybird of £55,000 in order to secure the Acquisition part of which will be settled by the issue of the Fee Shares to Jaybird.

#### **Change of name**

The Directors believe that, following Completion, the name of the Company should be changed to African Battery Metals plc. To that end the Board has passed a resolution in accordance with article 5 of the Company's articles of association to change the Company's name to African Battery Metals plc with effect from Completion.

### **Buy-back of the D-Beta New Shares and settlement and termination of the Riverfort Facilities**

Subject to Completion and the passing of the Resolutions, the Company has agreed to buy-back the D-Beta New Shares at the Placing Price out of the net proceeds of the Fundraising (being a fresh issue of shares made for the purpose of financing the purchase). The Company also has the option to place the D-Beta New Shares directly with investors. If all the D-Beta New Shares are the subject of the buy-back the total consideration payable by the Company would amount to £266,219.18.

Under entering into the Equity Sharing Agreement the Company made an initial payment of £500,000 to D-Beta (**Initial Payment**) whereupon monthly repayments to the Company by D-Beta (or further monthly payments by the Company to D-Beta) would be made dependent on the share price performance of the ordinary shares of the Company. As at the date of this Document the balance of the Initial Payment is £390,832.00.

Under the terms of the settlement the balance of the Initial Payment is to be waived and a settlement payment of £141,463.14 made to D-Beta. Following the settlement payment being made and the completion of the buy-back, no further payments will be due by the Company to D-Beta or by D-Beta to the Company under the Equity Sharing Agreement and the Equity Sharing Agreement will terminate.

### **Renewal of Share Capital Authorities**

The Directors consider it prudent to revise the existing authorities in light of the Share Capital Reorganisation such that, on completion of the issue of the Placing Shares, the Subscription Shares, the Fee Shares and the Settlement Shares, the Company remains authorised to issue approximately 3,000,000,000 New Ordinary Shares free of statutory pre-emption rights in addition to the Placing Shares, the Subscription Shares, the Fee Shares and the Settlement Shares. This will enable the Company to move swiftly in the event that a further non pre-emptive fundraising is necessary or desirable in due course. Accordingly, if Resolutions 2 and 4 are passed at the General Meeting, the Company will be able to issue the Placing Shares, the Subscription Shares, the Fee Shares and the Settlement Shares and, in addition, potentially further shares up to an aggregate nominal value of approximately £30,000 (or 3,000,000,000 New Ordinary Shares) free of statutory pre-emption rights.

### **Issue of Warrants and Placing Agreement**

The Placing and Subscription is being arranged on behalf of the Company by SP Angel. SP Angel will, conditional on Admission, receive commission from the Company pursuant to the Placing and Subscription and the Company will also grant SP Angel warrants to subscribe for up to 175,000,000 New Ordinary Shares at the Placing Price. The exercise period for these warrants is five years from the date of Admission.

Pursuant to the Placing Agreement, the Company will give customary warranties and undertakings to SP Angel in relation, *inter alia*, to its business and the performance of its duties. In addition, the Company has agreed to indemnify SP Angel in relation to certain liabilities that it may incur in undertaking the Placing. SP Angel has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event that there has been, *inter alia*, a material breach of any of the warranties. The Placing is not being underwritten.

### **Broker Appointment**

Conditional on and with effect from Admission, the Company has agreed to appoint SP Angel as corporate broker.

### **Related Party Transactions**

#### *Buy-back of the D-Beta New Share and settlement and termination of the Equity Sharing Agreement*

The buy-back of the D-Beta New Shares, payment to D-Beta of the amount due under the Equity Sharing Agreement and termination of that agreement are considered to be Related Party Transactions. Accordingly, the independent director of Sula (being Iain Macpherson) considers,

having consulted with the Company's nominated adviser, WH Ireland, that the terms of the buy-back of the D-Beta New Shares and the terms of the settlement and termination of the Equity Sharing Agreement are fair and reasonable insofar as Shareholders are concerned.

#### *Settlement Shares*

Roger Murphy and Matt Wood, both being directors of the Company, have agreed to apply outstanding directors' fees due to them of £34,614 and £18,000 respectively to subscribe for 69,228,308 and 36,000,000 New Ordinary Shares respectively, each at the Placing Price, coterminous with completion of the Placing. In addition, Nick Warrell, a former director of the Company has agreed to apply directors' fees due to him of £28,000 to subscribe for 56,000,000 New Ordinary Shares at the Placing Price, coterminous with completion of the Placing.

The subscriptions by Messrs Murphy, Wood and Warrell for the Settlement Shares are considered to be Related Party Transactions. Accordingly, the independent director of Sula (being Iain Macpherson) considers, having consulted with the Company's nominated adviser, WH Ireland, that the terms of each director's and Mr Warrell's subscription for New Ordinary Shares are fair and reasonable insofar as Shareholders are concerned.

Following Admission, the interests of Messrs Murphy and Wood in the ordinary share capital of the Company will be as follows:

<i>Director</i>	<i>Current holding of Existing Ordinary Shares</i>	<i>Settlement Shares</i>	<i>Holding of New Ordinary Shares on Admission</i>	<i>% of enlarged issued share capital on Admission</i>
Roger Murphy	15,714,286	69,228,308	84,942,594	1.2%
Matt Wood	5,763,725	36,000,000	41,763,725	0.6%

#### **General Meeting**

The Notice convening the General Meeting to be held at Michelmores LLP, 12<sup>th</sup> Floor, 6 New Street Square, London EC4A 3BF on 27 December 2017 at 10.00 a.m. is set out on pages 16 to 19 of this Document. The Resolutions will be proposed at the General Meeting. A summary of the Resolutions is set out below.

#### ***Ordinary Resolutions***

Resolution 1, which will be proposed as an ordinary resolution, seeks approval for the division of each Existing Ordinary Share into 1 New Ordinary Share and 1 Deferred A Share.

Resolution 2, which will be proposed as an ordinary resolution, seeks to grant the Directors authority to allot New Ordinary Shares in the capital of the Company up to an aggregate nominal amount of £67,113.

#### ***Special Resolutions***

Resolution 3, which will be proposed as a special resolution, seeks approval for the amendment of the Articles to include the necessary amendments to provide for the creation of the Deferred A Shares.

Resolution 4, which will be proposed as a special resolution, seeks to disapply the statutory pre-emption rights over New Ordinary Shares authorised for allotment pursuant to Resolution 2. This will enable the Placing Shares, the Subscription Shares, the Fee Shares and the Settlement Shares to be issued and additionally disapply statutory pre-emption rights over up to an additional 3,000,000,000 New Ordinary Shares (approximately 43 per cent. of the Enlarged Share Capital).

Resolution 5, which will be proposed as a special resolution, seeks approval for the buy-back of the D-Beta New Shares and for the payment for the buy-back of the D-Beta New Shares to be made out of the proceeds of a fresh issue of new shares made specifically for the purpose of such financing (namely the Placing Shares and the Subscription Shares).

For the ordinary resolutions to be passed, more than half of the votes cast must be in favour of the relevant resolution. For the special resolutions to be passed, at least three-quarters of the votes cast must be in favour of the relevant resolution.

#### **Action to be taken by Shareholders**

**Shareholders are reminded and should note that, in the event that the Resolutions are not passed and the Fundraising does not proceed, the Company will need to secure an alternative source of financing by no later than 31 December 2017, in order to satisfy the Company's working capital needs. There can be no guarantee that such alternative financing will be obtainable or will be available on similar commercial terms to the Fundraising.**

Shareholders will find a Form of Proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's registrars, Share Registrars Limited, at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, by 10.00 a.m. on 21 December 2017 being 48 hours before the time appointed for holding the General Meeting (or, if the meeting is adjourned, 48 hours before the time of the adjourned meeting, in each case excluding non-working days). Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

Please read the notes to the Notice and the accompanying Form of Proxy for detailed instructions. The attention of Shareholders is also drawn to the voting intentions of the Directors set out below.

#### **Recommendation**

**The Directors consider the proposals contained herein to be in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommend that Shareholders vote in favour of all of the Resolutions to be proposed at the General Meeting, as they intend so to do or procure to be done in respect of their own beneficial and other connected interests, amounting, in aggregate, to 150,221,381 Existing Ordinary Shares representing approximately 4.6 per cent. of the Company's existing issued ordinary share capital.**

Yours faithfully

**Roger Murphy**  
*Chief Executive Officer*

# NOTICE OF GENERAL MEETING

## SULA IRON & GOLD PLC

*(Incorporated and registered in England and Wales with company number 7800337)*

NOTICE IS HEREBY GIVEN that a General Meeting of Sula Iron & Gold plc (the “**Company**”) will be held at Michelmores LLP, 12<sup>th</sup> Floor, 6 New Street Square, London EC4A 3BF on 27 December 2017 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolutions 3 to 5 will be proposed as special resolutions.

### Ordinary Resolutions

1. **THAT**, conditional upon Resolution 3 being passed, with effect from 5.00 p.m. on the date of the passing of this Resolution 1 and Resolution 3, each of the Existing Ordinary Shares in issue, be divided into 1 ordinary share of 0.001 pence in nominal value (the “**New Ordinary Shares**”) having the same rights in all respects with the Existing Ordinary Shares and one deferred A share of 0.099 pence in nominal value (the “**Deferred A Shares**”) having the rights and restrictions set out in the Articles of Association of the Company as amended pursuant to Resolution 3 below.
2. **THAT**, in substitution for all existing authorities for the allotment of shares by the directors of the Company (the “**Directors**”), which are hereby revoked, but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors of the Company be and they are hereby generally and unconditionally authorised, pursuant to section 551 of the Companies Act 2006 (the “**2006 Act**”) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of “relevant securities”) up to an aggregate nominal amount of £67,113 generally, in each case for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, provided that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such relevant securities to be allotted after such expiry, variation or revocation and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked.

### Special Resolutions

3. **THAT**, conditional upon Resolution 1 being passed, the Articles of Association of the Company (the “**Articles**”) be and are amended as follows:
  - a. the insertion of the following definition in article 2.1 of the Articles:

““Deferred A Shares” means deferred shares of 0.099p each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;”
  - b. the amendment of the following definition in article 2.1 of the Articles:

““ordinary shares” means the Company’s ordinary shares of 0.001p in nominal value;” and

c. the insertion of a new article 8 after article 7 of the Articles as follows:

**“8 Deferred A Shares**

- 8.1 The Deferred A Shares shall carry no rights to participate in the profits of the Company.
- 8.2 On a return of capital on a winding up or dissolution of the Company (but not otherwise) the holders of the Deferred A Shares shall be entitled to participate in the distribution of the assets of the Company *pari passu* with the holders of the ordinary shares but only in respect of any excess of those assets above £1,000,000,000,000. The holders of the Deferred A Shares shall not be entitled to any further right of participation in the assets of the Company.
- 8.3 The holders of the Deferred A Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.
- 8.4 The Deferred A Shares shall not be listed on any stock exchange nor shall any share certificates be issued in respect of such shares. The Deferred A Shares shall not be transferable, save as referred to below or with the written consent of the directors.
- 8.5 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred A Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred A Shares) shall be treated as being in accordance with the rights attaching to the Deferred A Shares and shall not involve a variation of such rights for any purpose. A reduction by the Company of the capital paid up on the Deferred A Shares shall be in accordance with the rights attaching to the Deferred A Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (subject to and in accordance with the Companies Act and without obtaining the consent of the holders of the Deferred A Shares).
- 8.6 The Company has the irrevocable authority at any time to do all or any of the following without obtaining the sanction of the holder or holders of the Deferred A Shares:
- 8.6.1 to appoint any person to execute on behalf of any holder of Deferred A Shares a transfer of all or any part thereof and/or an agreement to transfer the same (without making any payment therefor) to such person as the directors may determine (whether or not an officer of the Company) and who is willing to accept the same;
- 8.6.2 to purchase all or any of the same in accordance with the CA 2006 without obtaining the consent of the holders thereof and in consideration of the payment to each of the holders whose shares are purchased of an amount equal to one pence in

respect of all the Deferred A Shares then being purchased from him;

8.6.3 for the purposes of any such purchase under 8.6.2 above, to appoint any person to execute on behalf of any holder of Deferred A Shares a contract for the sale to the Company of any such Deferred A Shares held by him; and

8.6.4 to cancel all or any of the same so purchased under 8.6.2 above in accordance with the CA 2006.”;

d. the remaining paragraphs of the Articles be renumbered accordingly.

4. **THAT**, conditional upon Resolution 2 being passed, the Directors be and are hereby empowered pursuant to the Articles and section 570 of the 2006 Act, to allot equity securities as defined by section 560 of the 2006 Act for cash pursuant to the authority conferred by Resolution 2 above as if section 561 of the 2006 Act did not apply to any such allotments. Such power shall, subject to the continuance of the respective authority conferred by Resolution 2, expire fifteen months after the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever occurs first, but may be previously revoked or varied from time to time by Special Resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.

5. **THAT**, conditional upon Resolutions 1 to 4 being passed:

- a) the terms of an agreement (the Off-Market Purchase Contract) between the Company and D-Beta One EQ Ltd for the purchase by the Company from D-Beta One EQ Ltd of 532,438,356 ordinary shares of 0.001p each in the capital of the Company (the D-Beta New Shares) for a total consideration of £266,219.18 as set out in the Off-Market Purchase Contract, which is on display at the registered office of the Company and on the Company's website, be approved. This authority expires on 30 March 2018; and
- b) the payment by the Company, out of the proceeds of a fresh issue of shares made for the purpose of financing the purchase of the D-Beta New Shares (in accordance with section 692(2)(a)(ii) of the 2006 Act), of the sum of £266,219.18 for the purchase of its own shares pursuant to the Off-Market Purchase Contract, be approved.

BY ORDER OF THE BOARD

**Roger Murphy**  
*Chief Executive Officer*

Registered office:

*201 Temple Chambers  
3-7 Temple Avenue  
London  
EC4Y 0DT*

8 December 2017

**Notes:**

1. Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend, vote and speak at the meeting.
2. A member entitled to attend, speak and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her. A proxy need not also be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attaching to different shares.
3. A form of proxy is enclosed. To appoint a proxy using the proxy form, the form must be:
  - completed and signed;
  - sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by facsimile transmission to 01252 717 233
  - alternatively, the completed proxy form can be scanned and emailed to [proxies@shareregistrars.uk.com](mailto:proxies@shareregistrars.uk.com); and
  - received by Share Registrars Limited no later than 10.00 a.m. on 21 December 2017 (or, if the meeting is adjourned, 48 hours prior to the adjourned meeting (excluding non-working days)).
4. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
5. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
6. To appoint more than one proxy, you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which in aggregate shall not exceed the number of shares held by you). Please also indicate if the proxy is part of a multiple set of instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to, or specifying a number in excess of those held by you may result in the appointment being invalid. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrar.
7. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. Subsequent changes to entries on the register after this time shall be disregarded in determining the rights of any persons to attend or vote at the meeting.
8. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the first named on the Register of Members of the Company will be accepted to the exclusion of other joint holders.
9. As at the close of business on 7 December 2017, the Company's issued share capital comprised 3,271,746,363 ordinary shares of 0.1p each and 356,848,594 deferred shares of 0.09 pence each with no rights to vote at a general meeting. Each ordinary share carries the right to one vote at a general meeting of the Company, and therefore the total number of voting rights in the Company as at the time and date given above is 3,271,746,363.
10. A copy of the Off-Market Purchase Contract is available for inspection by members at the registered office of the Company from the date of this notice until the date of the meeting and at the meeting.