

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** In considering what action you should take, you are recommended to seek your own personal financial advice from a person authorised under the Financial Services and Markets Act 2000 to advise on the purchase and sale of investments immediately.

If you have sold all of your holding of shares in Noventa Limited please forward this document, the attached Notice and Form of Proxy to the purchaser or other agent through whom the sale was effected for transmission to the purchaser.

## **NOVENTA LIMITED**

**incorporated under the Companies (Jersey) Law 1991**

27 June 2008

To the holders of shares in Noventa Limited (the “Company”)

Dear Sir/Madam

### **Annual General Meeting to be held on 25 July, 2008**

The Company held its first Annual General Meeting (“AGM”) in December 2007 (the “First AGM”) as it is a requirement under the Companies (Jersey) Law 1991 (the “Law”) to hold an AGM within eighteen months from its incorporation. It is now proposed to hold a further AGM.

### **Rationale for convening the second AGM**

It is a further requirement under the Law that the Company produce accounts and present them before an AGM within seven months from the end of the accounting period to which they relate.

Although a full year has not elapsed since the First AGM, in order that the Company remains in compliance with the Law, the Company is proposing to hold its second AGM on 25 July, 2008 (the “Second AGM”) in order for the shareholders to receive and consider the accounts for the year ended 31 December, 2007 and to consider other ancillary matters relating to the Company.

A Notice convening the Second AGM is attached to this Circular together with the Forms of Proxy for such meeting.

### **Proposed Special Resolution to dis-apply pre-emption rights**

In addition to the ordinary business to be transacted at the Second AGM as set out in the attached Notice, a special resolution has also been proposed as special business in connection with article 4(2) of the Company’s articles of association (the “Articles”) to approve the issue of 1,522,843 ordinary shares to the Company’s major shareholder, Highland African Ventures Limited (“HAVL”), in connection with the conversion of its zero-coupon unsecured convertible loan note.

By way of background, due to the delay in ramping-up production at the Company’s mines, it

was necessary for the Company to raise funds earlier this year to assist in its ongoing operational expenditure. The Company therefore raised US\$9,000,000 of funds by way of:

1. an issue of US\$3,000,000 of zero-coupon convertible loan notes to HAVL (its major shareholder) on 7 March, 2008 (the "Loan Notes"); and
2. a private placement of US\$6,000,000 of ordinary shares to certain existing institutional investors on 23 May, 2008 (the "Private Placement").

In order to assist the Company with its immediate cash flow in March this year, HAVL subscribed for the Loan Notes rather than wait to participate in the Private Placement.

HAVL subscribed for such amount of Loan Notes to ensure that, on exercise of its conversion rights, its percentage interest in the Company would not be significantly diluted following the Private Placement. Under the terms on which the Loan Notes were issued, the Private Placement would have triggered a redemption of the Loan Notes and application for ordinary shares in the Company.

The ordinary shares issued in connection with the Private Placement and the conversion of the Loan Notes into ordinary shares would have caused the Company to exceed the restrictions in the Articles that the issue of shares for cash can not exceed 10% of the Company's issued share capital in a 12 month period. This would have required the Company to make a subscription offer to all of its other members on a pre-emptive basis in accordance with article 4(2) of the Articles unless it obtained a special resolution of its members disapplying such provision.

At the time of the Private Placement, HAVL therefore agreed to waive the requirement for the Loan Notes to be converted until such time as a special resolution had been proposed at an AGM of the Company to issue the necessary number of ordinary shares, at the Private Placement price of 100p in connection with the conversion of the Loan Notes.

### **Proposed Special Resolution to dis-apply pre-emption rights**

Under the Law as it currently stands and in accordance with the Articles, in order to pass special resolutions at general meetings, the Company is required to give a minimum of 21 clear days' notice of such general meeting.

Following the introduction of the Companies (Amendment No. 9) Law 2008, which is due to occur today, the Company will be required, subject to its Articles, to convene general meetings for the purpose of passing special resolutions by giving 14 clear days' notice as opposed to 21 clear days' notice.

In order to simplify the administration of the Company and for convening general meetings, the Notice contains a special resolution that has also been proposed as special business at the Second AGM to amend the Articles to bring them into line with recent changes to the Law. It being noted that for the purposes of the Second AGM the Company is still required to give 21 clear days' notice

### **Recommendations**

The first special resolution proposed at the Second AGM is therefore to approve the allotment and issue of 1,522,843 shares to HAVL without triggering any corresponding obligation on the

Company to make a subscription offer to all other members of the Company on a pre-emptive basis in accordance with article 4(2) of the Articles. As indicated above, the allotment and issue of shares in connection with the conversion of the Loan Notes merely ensures that HAVL's percentage interest in the Company is not significantly diluted as a result of the Private Placement.

In order to pass the said special resolution at the Second AGM, it requires to be passed by a majority of not less than two-thirds of members voting at such meeting.

The second special resolution to be proposed at the Second AGM to change the Articles has been proposed to assist the Company in its administration and for ease in convening general meetings going forward.

On this basis we recommend the special resolutions set out in the Notice are approved by the Company's members.

Please be advised that a copy of the accounts of the Company to be presented at the Second AGM will be available on the Company's website, [www.noventa.net](http://www.noventa.net), from close of business today and a copy will be sent to each shareholder under separate cover by the Company today.

Yours faithfully

A handwritten signature in black ink, appearing to be 'D. [unclear]', written over a faint circular stamp.

for the board of directors of

**Noventa Limited**