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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take or the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the United Kingdom, the Financial Services (Jersey) Law 1998 if you are in Jersey, or the relevant legislation if you are in another jurisdiction, who specialises in advising on the acquisition of shares and other securities.**

If you have sold or otherwise transferred all your Existing Ordinary Shares prior to the date on which the Ordinary Shares are marked ex-entitlement to the Open Offer, please send this document, together with the Application Form but not the personalised proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onwards transmission to the purchaser or transferee. However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia or Japan, nor in or into any other jurisdiction where the extension or availability of the Placing or the Open Offer would breach any applicable law or regulation.

If you have sold or transferred only part of your holding of Existing Ordinary Shares prior to the Record Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form, where relevant.

A copy of this document has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provision) (Jersey) Order 2002, and it has given, and has not withdrawn, its consent to its publication. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958, to the issue of the New Ordinary Shares by the Company. It must be clearly understood that, in giving these consents, neither the Jersey registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against any liability arising from the discharge of its functions under that law. Nothing in this document or anything communicated to a shareholder by or on behalf of the Company is intended to constitute, or should be construed as, advice on the merits of the subscription for Ordinary Shares or the exercise of any rights attached thereto for the purposes of the Financial Services (Jersey) Law 1998.

A copy of the Company's Report and Accounts for the year ended 31 December 2008 and the interim financial report for the six months to 30 June 2009 can be downloaded from the Company's website [www.noventa.net](http://www.noventa.net).

The Directors, whose names appear on page 11 of this document, accept responsibility for the information contained in this document. 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 is in accordance with the facts and contains no omission likely to affect its import. In connection with the Placing and Open Offer, no person is authorised to give any information or make any representation other than as contained in this document. The Placing and Open Offer will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been, and will not be, reviewed or approved by the Financial Services Authority pursuant to section 85 of FSMA. This document does not constitute an Admission Document (as defined in the AIM Rules for Companies).

The Existing Ordinary Shares are admitted to trading on AIM, which is a market operated by the London Stock Exchange. It is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and AIM-quoted securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in AIM-quoted securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

It is emphasised that no application is being made for admission of these securities to the Official List of the UK Listing Authority. The rules of AIM are less demanding than those of the Official List.

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## **NOVENTA LIMITED**

*(Incorporated under the Companies (Jersey) Law 1991 (as amended) with Registered Number 95036)*

**Conditional Placing of 8,750,000 New Ordinary Shares of £0.0004 each  
at a price of 4p per share and  
Placing and Open Offer of up to 53,058,880 New Ordinary Shares of £0.0004 each  
at a price of 4p per share  
and**

**Notice of Extraordinary General Meeting**

**Nominated Adviser**

**Blomfield Corporate Finance Limited**

**Corporate Broker**

**Religare Hichens, Harrison plc**

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Religare Hichens, Harrison plc, which is authorised and regulated by the FSA and a member of the London Stock Exchange, is the Company's Broker and is acting exclusively for the Company in connection with the proposed Placing and Open Offer. RHH will not be responsible to anyone other than the Company for providing the protections afforded to customers of RHH or for advising any other person on the Placing and Open Offer and any other arrangements described in this document.

Blomfield Corporate Finance Limited, which is authorised and regulated by the FSA and a member of the London Stock Exchange, is the Company's Nominated Adviser for the purposes of the Placing and Open Offer. Its responsibilities as the Company's Nominated Adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Blomfield as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Blomfield will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of any acquisition of shares in the Company.

This document does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not to be taken, transmitted or distributed, directly or indirectly, in or into any country outside the United Kingdom where that may lead to a breach of any legal or regulatory requirements. The New Ordinary Shares have not been nor will they be registered under the United States Securities Act of 1933 (the "Securities Act") nor under any securities law of any state or other jurisdiction of the United States nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia or Japan. Accordingly, neither the Existing Ordinary Shares nor the New Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States, Canada, Australia or Japan or to any US person (within the meaning of the regulations made under the Securities Act) or to any person with an address in Canada, Australia or Japan.

**The whole text of this document should be read. An investment in Noventa involves a high degree of risk and, in particular, attention is drawn to the section entitled "Risk Factors" in Part II of this document. An investment in the Company may not be suitable for all recipients of this document, may not provide the returns expected by prospective investors and may result in a loss of capital. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of the risks involved in such investments, their personal circumstances and the financial resources available to them.**

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## PLACING AND OPEN OFFER STATISTICS

*(Assuming the maximum number of shares are subscribed pursuant to the Open Offer)*

Offer Price	4p
Number of Existing Ordinary Shares in issue on the Record Date	42,447,104
Number of New Ordinary Shares issued pursuant to the Placing and Open Offer	53,058,880
Enlarged Share Capital	191,255,372
Basis of the Open Offer	5 Offer Shares for every 4 Existing Ordinary Shares
Percentage of Enlarged Share Capital represented by the Placing Shares and the Offer Shares	27.74 per cent.
Gross proceeds of the Placing and Open Offer	£2,122,355
Estimated net cash proceeds of the Placing and Open Offer	£1,962,756
Market capitalisation of the Company at the Offer Price, immediately following completion of the Open Offer	£7,650,215
TIDM code (Tradeable Instrument Display Mnemonic)	NVTA
ISIN (International Securities Identification Number)	JE00B1RPM978
GBP:USD exchange rate used in the document	£1:\$1.634

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement under the Open Offer	23 September 2009
Announcement and publication of this document and Application Form	24 September 2009
Ex-entitlement date of the Open Offer	24 September 2009
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	25 September 2009
Recommended latest times for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 6 October 2009
Recommended latest times for depositing Open Offer Entitlements into CREST	3.00 p.m. on 7 October 2009
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 8 October 2009
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 12 October 2009
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 12 October 2009
EGM	11.00 a.m. on 14 October 2009
Announcement of result of Open Offer	by 8.00 a.m. on 14 October 2009
Admission and commencement of dealings in New Ordinary Shares	8.00 a.m. on 15 October 2009
New Ordinary Shares credited to CREST members' accounts (if appropriate)	15 October 2009
Despatch of definitive share certificates for New Ordinary Shares in certificated form	by 22 October 2009

1. Reference to times in this document are to London time unless otherwise stated.
2. The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by Noventa in which event details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange and, where appropriate, Qualifying Shareholders.
3. Different deadlines and procedures for return of forms may apply in certain cases.
4. If you have any queries then please contact Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

## DEFINITIONS

In this document, except where the context permits, the expressions set out below shall bear the following meanings:

“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	collectively the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“AIM Rules for Companies”	the AIM Rules for Companies issued by the London Stock Exchange governing the admission of securities to trading on, the continuing obligations of those companies with shares admitted to trading on AIM and the operations of, AIM;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers issued by the London Stock Exchange;
“Application Form”	the application form being sent to Qualifying non-CREST Shareholders with this document;
“Articles”	the Articles of Association of the Company;
“BFS”	collectively Barons Financial Services S.A., Barons Financial Services (U.K.) Limited and Barons Financial Services Limited;
“BFS Warrants”	the warrants over Ordinary Shares equivalent to 5 per cent. of the Enlarged Share Capital to be issued to BFS;
“Blomfield”	Blomfield Corporate Finance Limited, the Company’s Nominated Adviser for the purposes of the AIM Rules;
“Blomfield Warrants”	the warrants over 1,000,000 Ordinary Shares to be issued to Blomfield;
“Capita Registrars”	a trading name of Capita Registrars Limited;
“Companies Law”	the Companies (Jersey) Law 1991 (as amended);
“Company” or “Noventa”	Noventa Limited (company number 95036);
“Conditional Placing Shares”	8,750,000 New Ordinary Shares that have been subscribed for, conditional only on the passing of the required resolution at the EGM;
“CREST”	the relevant electronic settlement system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Manual”	the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterparty Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated in November 2001);
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual);
“CREST member account ID”	the identification code or number attached to a member account in CREST;
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);

“CREST participant ID”	shall have the meaning given in the CREST Manual issued by Euroclear;
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) as amended and the Companies (Uncertificated Securities) (Jersey) Order 1999 (as amended) and in the event of any inconsistency, the latter shall prevail;
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Directors” or “Board”	the board of directors of the Company as at the date of this document whose names appear on page 11 of this document;
“EGM”	the extraordinary general meeting of the Company to be held at the offices of Carey Olsen, 47 Esplanade, St. Helier, Jersey, JE1 0BD on 14 October 2009 notice of which is set out at the end of this document;
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following: approval at the EGM to issue Ordinary Shares on conversion of the Loan Notes; the Placing and Open Offer; approval at the EGM to issue the Conditional Placing Shares; approval at the EGM to issue the Investors Union Shares; and approval at the EGM to issue Ordinary Shares in exchange for the outstanding balances of the Existing Loan Notes;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full;
“Excess Shares”	Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility;
“Existing Loan Notes”	US\$5,000,000 in total of zero coupon convertible unsecured loan notes held by HAVL and BlackRock World Mining Trust plc;
“Existing Ordinary Shares”	Ordinary Shares in issue at the Record Date;
“Exploration Licences”	the eight exploration licences presently held by HAMC Limitada in the Province of Zambezia, in Mozambique, numbered as 1383 L (Mutala), 1928 L (Ginama) and 739 L, 740 L, 741 L, 742 L, 743 L and 744 L (Morrua);
“Form of Proxy”	the form of proxy being sent to Shareholders with this document for use in connection with the EGM;
“FSA”	Financial Services Authority of the UK;
“FSMA”	Financial Services and Markets Act 2000, as amended;
“GBP” or “£”	Pound Sterling, the lawful currency of the UK;

“Group”	the Company and its subsidiaries;
“HAMC”	Highland African Mining Company;
“HAVL”	Highland African Ventures Limited, a Jersey incorporated investment holding company whose ultimate controlling shareholder is Fleming Family & Partners (Liechtenstein) AG, a Liechtenstein registered trust company which is acting in its capacity as trustee of a settlement, the beneficiaries of which are members of the Fleming family;
“Investors Union Shares”	500,000 Ordinary Shares to be issued to Wills & Co Registrars Limited for financial public relations services on the passing of the Resolutions;
“Loan Note Holders”	the registered holders of the Loan Notes;
“Loan Notes”	the £400,000 zero coupon convertible unsecured loan notes of GBP1.00 each issued to the Loan Note Holders on 23 September 2009 which will convert into 10,000,000 New Ordinary Shares conditional on the passing of the Resolutions;
“London Stock Exchange”	London Stock Exchange plc;
“Mining Permits”	the three mining permits presently held by Highland African Mining Company Limitada in the Province of Zambezia, in Mozambique, numbered as 75 C (Marropino), 1382 C (Mutala) and 724 C (Morrua);
“MIREM”	the Ministry of Mineral Resources of Mozambique, including, wherever appropriate, the Minister of Mineral Resources and any ministerial sub-divisions;
“New Ordinary Shares”	together, the Offer Shares, the Conditional Placing Shares, the Placing Shares and the Ordinary Shares issued to the Loan Note Holders on conversion of the Loan Notes (or taken individually as the context may require);
“Notice”	the notice convening the EGM to be held for the purpose of considering and, if thought fit, passing the Resolutions, which is set out at the end of this document;
“Offer Price”	4p per New Ordinary Share;
“Offer Share(s)”	the up to 53,058,880 new Ordinary Shares being made available to Qualifying Shareholders under the Open Offer;
“Official List”	the Official List of the UK Listing Authority;
“Offtake Agreement”	the agreement entered into by Speciality Minerals Corporation Limited, a member of the Group, for the supply of a material portion of the Group’s tantalum concentrate production from Marropino;
“Open Offer”	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Offer Shares at the Offer Price on the terms and subject to the conditions set out in Part III of this document and in the Application Form;
“Open Offer Entitlement”	the <i>pro rata</i> entitlement of Qualifying Shareholders to subscribe for Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer;
“Ordinary Shares”	ordinary shares of £0.0004 each in the capital of the Company;
“Overseas Shareholders”	a Shareholder with a registered address outside the United Kingdom;

“Placees”	persons subscribing for Placing Shares at the Offer Price;
“Placing”	the placing of the Placing Shares by RHH pursuant to the Placing and Open Offer Agreement;
“Placing and Open Offer Agreement”	the conditional agreement, dated 24 September 2009, entered into by (1) the Company, (2) the Directors (3) Blomfield and (4) RHH relating to both the Open Offer and the Placing;
“Placing Share(s)”	the New Ordinary Shares which may be subscribed for, subject to clawback to satisfy valid applications under the Open Offer;
“Prospectus Rules”	the rules made by the FSA pursuant to sections 73A(3) and (4) of FSMA;
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account;
“Qualifying non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in a Restricted Jurisdiction);
“Record Date”	the close of business in London on 23 September 2009 in respect of the entitlements of Qualifying Shareholders under the Open Offer;
“Receiving Agent”	Capita Registrars Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
“Registrar”	Capita Registrars (Jersey) Limited, PO Box 532, St Helier, Jersey JE4 5UW;
“Regulatory Information Service”	a regulatory information service that is approved by the FSA and that is on the list of regulatory information service providers;
“Related Party”	BFS and HAVL;
“Resolutions”	the resolutions set out in the Notice;
“Restricted Jurisdiction”	each and any of the United States of America, Australia, Canada, and Japan;
“RHH”	Religare Hichens, Harrison plc, the Company’s corporate broker;
“Shareholders”	holders of Ordinary Shares;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“USD” or “\$”	United States Dollar, the lawful currency of the United States of America;
“USE”	Unmatched Stock Event;
“UK Listing Authority”	the FSA, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA; and
“Warrants”	together the warrants over 4,375,000 Ordinary Shares to be issued to subscribers to the Conditional Placing Shares and the warrants over 5,000,000 Ordinary Shares to be issued to the Loan Note Holders.

## GLOSSARY AND TECHNICAL TERMS

**The Company's mineral resources and reserves have been estimated in terms of the SAMREC code in accordance with the definitions set out below:**

- “Mineral Resource” a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence and knowledge, interpreted from a well constrained and portrayed geological model. Mineral Resources are sub-divided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured categories;
- “Indicated Mineral Resource” that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed;
- “Inferred Mineral Resource” that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and sampling and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability;
- “Measured Mineral Resource” that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity;
- “Mineral Reserves” the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is inclusive of diluting materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project, or a Life of Mine Plan for an operation, must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proved Mineral Reserves;
- “Probable Mineral Reserves” the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is estimated with a lower level of confidence than a Proved Mineral Reserve;
- “Proved Mineral Reserves” the economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence.

## **FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies.

Forward-looking statements are identified by the use of terms and phrases such as "believe", "could", "envisage", "intend", "may", "plan", "should", "will" or the negative of those, or variations of comparable expressions, including references to assumptions. These statements are primarily contained in Parts I and II of this document.

The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if the underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements are made only as at the date of this document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by the law, the AIM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

## PART I

### LETTER FROM THE CHAIRMAN OF NOVENTA LIMITED

*(Incorporated under the Companies (Jersey) Law 1991 (as amended) with Registered Number 95036)*

*Directors:*

Eric F. Kohn TD *Executive Chairman*  
John N. Allan *Chief Executive Officer*  
Martin Hinxman *Chief Financial Officer*  
Peter J. Cox *Executive Director*  
Timothy J. Griffiths *Non-Executive Director*

*Registered Office:*

Third Floor  
Mielles House  
La Rue des Mielles  
St Helier  
Jersey JE2 3QD

24 September 2009

*To Qualifying Shareholders and, for information only, to holders of options and warrants to subscribe for Ordinary Shares*

Dear Shareholder,

#### **Placing and Open Offer of up to 53,058,880 New Ordinary Shares of £0.0004 each at 4p per share**

##### **1. Introduction**

The Company, on 10 September 2009, announced that it had decided to make an Open Offer to Qualifying Shareholders to subscribe for up to 53,058,880 Offer Shares on the basis of 5 Offer Shares for every 4 Existing Ordinary Shares at the Offer Price, payable in full on acceptance. Eric Kohn TD, the Executive Chairman, John Allan, the Chief Executive Officer and Martin Hinxman, the Chief Financial Officer, being Qualifying Shareholders and Directors have given irrevocable commitments to subscribe for a minimum total of 1,366,279 Offer Shares through the Open Offer.

The Company expects to raise up to £2,122,355 (\$3,467,928) (before expenses) from the Placing and Open Offer. The net proceeds of £1,962,756 (assuming full take up of the Open Offer) will be used to provide the Group with additional working capital. Further details of the Placing and Open Offer are set out in section 3 below and in Part III of this document.

In addition on 10 September 2009 the Company completed a fundraising of £750,000 through the issue of £400,000 of Loan Notes and 8,750,000 Conditional Placing Shares at 4p per share together with one Warrant per two New Ordinary Shares (after the conversion in the case of the of the Loan Notes), exercisable at 18p. The Conditional Placing Shares will be issued and the Loan Notes will automatically convert into 10,000,000 New Ordinary Shares on the passing of the Resolutions being proposed at the EGM.

The purpose of this document, of which this letter forms part, is to explain the background to, the reasons for and the terms of the Placing and Open Offer and the related party transactions, to provide Qualifying Shareholders with updated information on the Group's current trading position to enable them to decide whether or not to apply for Offer Shares in the Open Offer, to explain why the Board considers that the Resolutions proposed are in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions.

**If any of the Resolutions are not passed, the Placing and Open Offer will fail and it is likely that the Group would be unable to continue to trade. There is no minimum amount required to be raised by the Placing and Open Offer in order for it to become unconditional, therefore, provided the Resolutions are passed and the other conditions of the Placing and Open Offer are met, any subscription for Offer Shares or Excess Shares will be valid, notwithstanding the general level of support for the Placing and Open Offer. In determining whether to take up any Offer Shares or Excess Shares under the Placing and Open Offer, you should be aware that the EGM will be held after the Placing and Open Offer has been closed for subscription. Shareholders are accordingly**

**strongly urged to complete and return the Form of Proxy enclosed with this document whether or not they intend to apply for any Offer Shares under the Open Offer. If the Company fails to raise the full amount under the Open Offer, it is the intention of the Board to attempt to locate alternative sources of finance. This may involve the issue of further equity on a non-pre-emptive basis.**

## **2. Background to and reasons for the Placing and Open Offer**

Following the recent changes to the Company's Board, and having conducted an initial evaluation of the Company's assets, the new team believes in the marketplace for the Company's mineral resources and intends to restart production with a view to making the Company profitable and to maximise shareholder value. Noventa's objective is to become a profitable, low cost, industrial scale producer of tantalum bearing concentrate.

Noventa is an AIM quoted producer of tantalum feedstock; tantalum is a rare heavy metal that is used in the manufacture of electronic capacitors, turbine blades and industrial cutting tools. Noventa produces tantalum pentoxide ( $Ta_2O_5$ ), a powdered concentrate which, in its final form, is consumed mainly in the electronics industry.

A predominantly new Board and executive management team has been put in place since 9 July 2009 in order to seek funds to stabilise the current business, which in turn will allow time for them to develop and implement a turnaround strategy for the Company. The management team has considered and compared several options which include:

1. re-opening the Marropino mine with modifications to existing plant and mine plan;
2. a new fixed plant capable of producing 450,000lbs  $Ta_2O_5$  per annum;
3. three modular plants producing 150,000lbs  $Ta_2O_5$  per annum each;
4. outsourcing processing to a third party; and
5. a trade sale.

The Board proposes to raise the necessary new working capital through the Placing and Open Offer in order for the new team to finalise and implement its currently preferred option of re-opening the Marropino mine with modifications to its existing plant and mine plan. In conjunction with the pursuit of this preferred option, the Board continues to actively evaluate the second and third options listed above, while keeping options four and five under review.

Noventa's assets are located in central Mozambique. Politically stable since 1992, the country is supportive of mining projects and in the past five years has attracted long term multimillion dollar mining investments from companies such as BHP Billiton, Vale and Kenmare Resources.

The Company's initial and only open cast mine, the Marropino mine, has been operating intermittently since 2003, but the Board believes that the approach that was historically taken to bring the mine into production was flawed and not as effective as it should have been, or as expected at the time of admission to trading on AIM. As a result, much less of the resource has so far been extracted than would originally have been expected by this point. In addition, the Company's other mine rights at locations including Morrua, Mutala, amongst others remain unexploited.

Marropino's poor performance can be attributed to a wide variety of equipment, operational and previous management failings, which resulted in output being consistently below expectations; however the Board believes that all these issues can be suitably addressed provided the appropriate financing can be obtained. The Company's Marropino Mine was put into care and maintenance in May 2009, due to a lack of funds to support the continuing losses.

Each element of the process from extraction through processing and distributing to clients is being examined to identify and eliminate losses and inefficiencies. The reserves are being re-examined and assays of the open mine are being taken to verify the ore projections by comparing historical assay data with fresh assays. An extensive list of remedial actions has already been identified and these are

being assessed prior to incorporation into a recovery plan. Benchmarking against other tantalite mining operations is currently being considered. The Board will endeavour to keep Shareholders informed of developments.

Connection of the site to the Mozambique national power supply has been agreed with the supplier with a completion currently forecast (by the Board) in the next few weeks. This should provide significant improvement both in terms of cost savings (estimated at >\$1.5 million annually) and reliability compared with the existing diesel generators.

A potential saving (estimated at around \$1.0 million annually) in distribution costs may be realised by changing the transport route of the concentrate to the customer, avoiding the current costly overland transport to the port of Walvis Bay in Namibia. This is a consequence of legislative changes and is being tested for its long term viability.

Samples of the ore body will be taken and independently assayed to verify the ore body and to reconfirm the viability of resurrecting production. The existing main processing plant design is to be tested under lab conditions to confirm its fitness for purpose before checking, restoring, testing and restarting the plant.

Enhancement options to the existing process plant are being examined and costed to reduce process losses and/or recycle the 40 per cent. of the material previously put to waste as “oversize” (>1.7mm) for the current plant. Samples of the output concentrate have been sent for testing to a third party for potentially cheaper and more efficient final processing than the existing process. A survey of the mine will be carried out, provided the appropriate financing can be obtained, assessing the material volumes which can be extracted, providing a firm starting point for updating of the pit optimisation and resulting mine plan, and to enable the pit to be restructured back to the extraction plan for safe and efficient working.

The Board believes the Company is well placed compared to its competitors in terms of developing its tantalum assets, despite its historic poor performance. Although the Marropino mine is currently on a care and maintenance basis, so is the Talison mine (historically the world’s largest tantalum producer) in Australia, while the Commerce Resources and MDN Inc projects in Canada and the Adu Dabbab and Nuweibi projects in Egypt are all at a less advanced stage of development than Marropino. Noventa has estimated ore resources of 19 million lbs of Ta<sub>2</sub>O<sub>5</sub> (*Source: SRK Consulting (South Africa) (Pty) Ltd Independent Competent Persons Report dated 15 March 2007, included in the Company’s AIM Admission Document dated 15 March 2007*) distributed across three deposits. Since January 2007, a total of 218,000lbs of Ta<sub>2</sub>O<sub>5</sub> concentrate has been sold from its main operation at Marropino. Although the mine is on care and maintenance at present, with appropriate financing, the Board believes a restart could be achieved within five months.

The new Board has recently been further strengthened by the appointment of a southern African mining specialist, Peter Cox who has experience of Tantalum mining and processing. The intention is to keep the Company public and proceed if possible with the re-opening of existing operations with the defects rectified, necessary enhancements implemented and strict management controls.

### ***Mozambique***

- Noventa’s principal mining and processing assets are located in the central Zambezia province of Mozambique.
- Mozambique became an independent country in 1975 after 500 years as a Portuguese colony. In 1977, civil war erupted lasting for 15 years destroying much of the country’s infrastructure. In 1992, political stability returned to Mozambique with major investments becoming increasingly prevalent.
- Other major mining investments in Mozambique include:
  - BHP Billiton and partners invested US\$2,200 million in the Mozal aluminium smelter between 1998 – 2003;
  - VALE is in the process of investing US\$1,300 million in the Moatzie coking coal & infrastructure project; and

- Kenmare invested US\$450 million in the Moma titanium slag project in 2004 – 2009.
- Mozambique is one of the poorest countries in the world with 70 per cent. of the population below the poverty line. Approximately 80 per cent. of the country's work force is employed in subsistence farming; the government is reliant upon foreign aid to balance its budget each year; main industries providing export revenue are aluminium, electricity, cotton, sugar, timber and prawns.

#### ***Principal Assets of the Company***

- Total in-situ ore resources of 19 million lbs of Ta<sub>2</sub>O<sub>5</sub> are distributed across three properties. The operation at Marropino is currently on a care and maintenance basis.
- The Marropino plant and associated equipment which was previously believed to be able to produce up to 340,000lbs per annum, but which the Board believes the realistic maximum, allowing for preventative maintenance and other factors, is 310,000 lbs per annum, and the targeted output of the Company, which the Board believes can be achieved with certain improvements and modifications, is 300,000lbs per annum.

#### ***The Board of Directors***

- **Eric Kohn TD, BSc, FCIM, FCMI, FInstD**, (*Executive Chairman*) age 64 – Mr. Kohn has had thirty years of experience in international industrial automation, marketing, manufacturing and management as well restructuring and turnarounds of private and public companies in Europe and the US. He has been the Managing Partner at BFS, an advisory investment banking firm, since its foundation in 1987 and is registered with the FSA. He is a director of Avcorp Industries Inc, a Canadian aerospace company listed on the Toronto Stock Exchange. Mr. Kohn joined the Board in June 2009.
- **John Allan**, (*Chief Executive Officer*) age 59 – Mr. Allan has extensive experience in project management. Following a distinguished career as an officer in the British Army, Mr. Allan joined SG Warburg in 1987, becoming Global Head of Premises and Administration. He was a member of the planning team for the mergers of SG Warburg with Swiss Bank Corporation to form SBC Warburg and subsequently SBC Warburg with Union Bank of Switzerland to form UBS Warburg. He has handled many complex projects and difficult situations at top management levels and as a consultant for UBS, prior to leaving in 2008. Mr. Allan joined the Board in July 2009.
- **Peter Cox, BSc (Min Eng), MMCC (SA), MSCC (SA)**, (*Executive Director*) age 55 – Mr. Cox is currently Managing Director of Goldline Global Consulting (Pty) Ltd (“Goldline”), a multi-skilled consulting engineering company serving the mining industry globally. Goldline's activities include, *inter alia*, management contracts such as operating mines on behalf of the mine owners; ore reserve valuations; feasibility studies; and consulting engineering solutions including mine design. Prior to founding Goldline in 1991, Mr. Cox was a Consulting Engineer, General Manager and a director of subsidiary companies for Severin Southern Sphere Mining Ltd – a privately owned mining and exploration company from 1987 until June 1991. Mr. Cox is a qualified Civil and Mining Engineer and has consulted to and managed tantalite mining operations in Southern Africa. Mr. Cox joined the Board in August 2009.
- **Timothy Griffiths, BSc, FCA, MSI**, (*Non-Executive Director*) age 62 – Mr. Griffiths has 35 years' experience in international finance. He is the Founder and Executive Director of the Chescor Capital Group. Mr.Griffiths is a Fellow of the Institute of Chartered Accountants in England & Wales, a Member of the Securities Institute, and registered in senior management, compliance and client facing capacities with the FSA. Mr. Griffiths joined the Board in July 2009.
- **Martin Hinxman**, (*Chief Financial Officer*) age 50 – Mr. Hinxman is a graduate of Rhodes University and is a member of the South African Institute of Chartered Accountants. He has in excess of 20 years' experience in the manufacturing, heavy industrial and mining industries. He has worked in senior executive roles at Consolidated Metallurgical Industries Limited, JCI Limited, JCI Projects (Pty) Limited and MRI Criticare (Pty) Limited. Mr. Hinxman joined the Group on a full time basis in 2006, but was involved with the Marropino Mine project from 2002.

It is intended to appoint at least one further independent Non-Executive Director as soon as a suitable candidate can be identified.

### *Past Difficulties*

- Previous management were unable to run the operation at a profit, and the business has experienced operational failings, notably:
  - no pilot plant was built prior to constructing full scale plant resulting in a plant recovery circa 50 per cent. below design level;
  - failure to maintain a consistent power supply from the mine's three generators, which lacked automatic switching systems between the three on failure;
  - poorly maintained mobile fleet and equipment – run of mine (“ROM”) tonnes circa 40 per cent. below plan due to average fleet availability of circa 60 per cent.;
  - high levels of management and staff turnover leading to poor productivity through lack of consistency in operational planning;
  - no storage facility for drill core on site – site geologists unable to reconcile actual pit geology with mine plan; and
  - no in-pit grade control or survey procedures followed - daily ROM grade and tonnage largely unknown.
- Revenues that were circa 60 per cent. below and operating costs that were circa 50 per cent. above plan resulted in a net cash consumption rate on site of approximately \$1 million per month during 2008. This in turn resulted in several capital calls at very short notice to certain substantial Shareholders until ultimately steps were taken by a majority of Shareholders to change the Board, in accordance with the Articles, in July 2009.

### *Historic Performance*

- The business commenced in 2001, with Noventa being admitted to trading on AIM on 27 March 2007. A total of £8.1m was raised on admission to trading on AIM at a share price of 175p giving it a market capitalisation of £60m (\$117m).
- The Company made losses of \$14.34m and \$22.57m in 2007 and 2008 respectively.
- On 31 May 2009 the operation at Marropino was placed on care and maintenance due to poor operational performance, with a subsequent cash consumption of circa \$350,000 per month.
- On 9 July 2009 the majority of Noventa's Shareholders acted to largely replace the then incumbent Board, appointing new Directors with a mandate to take the operation to profitability.

The Placing and Open Offer is required to meet the Group's immediate working capital requirements and should give the Company sufficient funds for the Group to continue to trade until the first quarter of 2010, at which time the Board believes that the Company will require a further injection of funds in order to implement the preferred option for the future and to significantly expand capacity (including the possible development of one or more of its other properties) and sustainability of the business. If this future capital raising proceeds, it is likely to be significantly larger than this current offer and will probably consist of a mixture of new equity and debt. For the avoidance of doubt the Board reserves the right to raise further funds following the announcement of the result of the Open Offer and prior to the anticipated capital raising in 2010. This may involve the issue of further equity on a non-pre-emptive basis. The Placing and Open Offer is subject to a number of conditions, including the passing of the Resolutions. **If the Resolutions are not passed, the Placing and Open Offer will fail and it is likely that the Group will be unable to continue to trade.**

### 3. Principal terms of the Placing and Open Offer

The Company is proposing to raise up to £2,122,355 (\$3,467,928) (before expenses) by the issue of 53,058,880 Offer Shares pursuant to the Placing and Open Offer, representing approximately 27.74 per cent. of the Enlarged Share Capital. 53,058,880 Offer Shares are being made available to Qualifying Shareholders pursuant to the Open Offer at the Offer Price, payable in full on acceptance. No commissions are payable to Placees.

Pursuant to the Placing and Open Offer Agreement:

- (i) the Company has obtained irrevocable commitments from Eric Kohn TD, the Executive Chairman, John Allan, the Chief Executive Officer and Martin Hinxman, the Chief Financial Officer, being Qualifying Shareholders and Directors to subscribe for a minimum total of 1,366,279 Offer Shares through the Open Offer; and
- (ii) RHH has conditionally agreed to assist in the making of the Open Offer which is not underwritten. Please see Section 5 of Part III in respect of the terms of the Placing and Open Offer Agreement.

Qualifying Shareholders may apply for Offer Shares under the Open Offer at the Offer Price on the following basis:

#### 5 Offer Shares for every 4 Existing Ordinary Shares

and so in proportion for any number of Existing Ordinary Shares held on the Record Date. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractions of Offer Shares will not be allotted to Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility.

Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 8 of Part III of this document.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied, as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

Application has been made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST on 25 September 2009. The Open Offer Entitlements and Excess CREST Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 12 October 2009. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims raised by Euroclear's Claims Processing Unit. The Offer Shares and the Excess Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST Application and payment in respect of the Open Offer is 11.00 a.m. on 12 October 2009. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 8 of Part III of this document.

**Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded.** Shareholders who do not participate in the Placing and Open Offer will have their percentage shareholdings in the Company's issued ordinary share capital diluted.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment are contained in Part III of this document and on the accompanying Application Form.

The Placing and Open Offer are conditional, *inter alia*, upon the Placing and Open Offer Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms before 8.00 a.m. on 15 October 2009 (or such later time and/or date (being no later than 31 October 2009) as RHH, Blomfield and the Company may agree) and on all of the Resolutions being passed at the EGM.

If the conditions are not satisfied, the New Ordinary Shares will not be issued and all monies received by the Receiving Agent will be returned to applicants (at applicants' risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will thereafter be disabled.

The New Ordinary Shares will, subject to the Articles, be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that such admission will become effective and trading will commence at 8.00 a.m. on 15 October 2009.

Any Qualifying Shareholder who has sold or transferred all or part of their registered holding(s) of Ordinary Shares prior to the date the Existing Ordinary Shares are marked "ex-entitlement" is advised to consult their stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchaser(s) or transferee(s).

***Intentions of the Directors and others in relation to the Open Offer***

Eric Kohn TD, the Executive Chairman, John Allan, the Chief Executive Officer and Martin Hinxman, the Chief Financial Officer, being Qualifying Shareholders and Directors have given irrevocable commitments to subscribe for a minimum total of 1,366,279 Offer Shares through the Open Offer. The current shareholdings of the Directors, their Open Offer Entitlements and their minimum commitments to subscribe under the Excess Application Facility are given in the table below:

<i>Director</i>	<i>Holding of Ordinary Shares on the Record Date</i>	<i>Open Offer Entitlement</i>	<i>Minimum holding of Ordinary Shares on completion of the Open Offer</i>
Eric Kohn TD *	2,000,000	2,500,000	2,625,000
John Allan **	1,000,000	1,250,000	1,625,000
Martin Hinxman	93,023	116,279	209,302

\* These shares are held by Barons Financial Services Limited, a Company in which Mr. Kohn has a beneficial interest.

\*\* These shares are held by Ekasure Limited, a Company in which Mr. Allan has a beneficial interest.

**4. Issue of the Investors Union Shares, Warrants, Blomfield Warrants, and BFS Warrants, related party transactions and proposed changes to the Existing Loan Notes**

The Board has agreed to issue, subject to the passing of certain resolutions at the EGM, 500,000 Ordinary Shares to Wills & Co Registrars Limited for the provision of its financial public relations service, Investors Union (<http://www.investorsunion.co.uk>).

Holders of the Conditional Placing Shares will, subject to the passing of certain resolutions at the EGM, be issued with Warrants allowing them to subscribe for 1 Ordinary Share for every 2 New Ordinary Shares held, at a price of 18p per share for a period of 18 months from the date of the EGM.

Loan Note Holders will, subject to the passing of certain resolutions at the EGM, be issued with Warrants allowing them to subscribe for 1 Ordinary Share for every 2 New Ordinary Shares held post conversion of the Loan Notes, at a price of 18p per share for a period of 18 months from the date of the EGM.

Blomfield will under the terms of its engagement letter, subject to the passing of certain resolutions at the EGM, be issued with the Blomfield Warrants giving Blomfield the right to subscribe for 1 million Ordinary Shares at the Offer Price for a period of up to seven years from the date of the EGM. Please see Section 5 of Part III in respect of the terms of the Blomfield engagement letter.

BFS, which is a related party under the AIM Rules, and which provides the services of Eric Kohn TD, as Executive Chairman, will, subject to the passing of certain resolutions at the EGM, be issued with the BFS Warrants giving BFS the right to subscribe for a number of shares equivalent to 5 per cent. of the Enlarged Share Capital at the Offer Price for a period of up to seven years from the date of the EGM. BFS will not be able to exercise these warrants unless the price of the Company's Ordinary Shares maintains a quoted mid-market price on AIM of 25p or higher on a 30 day moving average. The BFS Warrants have been issued to BFS as a turnaround incentive, with their value to BFS being dependent on a substantial rise in the Ordinary Share price. BFS have also been appointed as placing agents to assist in finding subscribers for the Loan Notes and the Placing, for which they will receive a commission of 9 per cent. of the funds that they raise. Mr. Kohn did not vote on any on the board resolutions approving these matters.

The Warrants, the Blomfield Warrants and the BFS Warrants will not be admitted to trading on AIM or on any other trading platform.

HAVL, which is a substantial shareholder and related party under the AIM Rules, and BlackRock World Mining Trust plc have historically provided financial support to the Company at very short notice without which the Company could not have continued to trade to date. The Board has therefore recommended that HAVL and BlackRock World Mining Trust plc, subject to the passing of certain resolutions at the EGM, exchange their holdings of Existing Loan Notes (being zero coupon convertible unsecured loan notes) with current outstanding balances of \$4,200,000 and \$800,000 respectively, for new Ordinary Shares in the Company on the same terms as is being offered to Qualifying Shareholders in order to convert the outstanding loan balances into equity, as resolutions to approve such conversion at the rate of 15 pence per share, as stipulated in the terms of the Existing Loan Notes, were not approved at the Company's annual general meeting in August 2009 and therefore these debts remain on the Company's balance sheet. HAVL and BlackRock World Mining Trust plc have both agreed to the terms of this proposal. The USD to GBP exchange rate for this exchange has been set at the prevailing rate of £1:\$1.634, as published in the Financial Times on 4 September 2009. As a result of this exchange, HAVL and BlackRock World Mining Trust plc will be issued with 64,259,486 and 12,239,902 new Ordinary Shares in the Company respectively.

## **5. Current trading and prospects**

The Group made a loss of US\$5.226m during the six months to 30 June 2009 on sales of US\$2.204m. Full details of the financial results for this period and the last set of full year audited accounts, for the year ended 31 December 2008, can be viewed at the Company's website, [www.noventa.net](http://www.noventa.net).

The Company's financial results reflect its inability in the past to reach a production level that exceeded breakeven. This was substantially due to the level of oversize material that was rejected in the recovery process. In addition, the lack of maintenance and attention to detail contributed to these poor results, along with the historic lack of connection to the national grid power supply, a situation exacerbated by the mine operating on three different types of generator with no automatic switchover, resulting in substantial downtime.

The Board believes that with the installation of the national grid power supply at the mine due this month and rectification and enhancements contemplated to the plant as well as planned maintenance and good management practices, together with reduced transport costs, the production levels required for profitability should be attainable, provided appropriate finance can be obtained to support these plans.

The Company's mine has been on a care and maintenance basis since May 2009, so no sales are currently being generated. The Company remains loss making and cash flow negative at the current time.

Apart from gold, most metals have experienced losses of up to half their value during the current economic downturn; conversely, tantalum has hardly moved in value. The Board believes that the medium term outlook for the metal is encouraging, as demand is expected to outstrip supply in 2010 and 2011, and following one third of global primary production having been withdrawn from the market in the last nine months; government inventories are now fully exhausted and customer stocks are at historic low levels. New projects in the Middle East and Canada are at least two years away from commercial production.

The Board believes that demand will be pushed higher next year by an increase in the production of microelectronic goods after a period of recession. Tantalum's primary use is in the manufacture of capacitors for microelectronic circuits. Tantalum capacitors are key components in mobile phones, computer motherboards and audio/visual equipment. Substitutes, including niobium and ceramic capacitors, offer lower costs but also lower performance and are larger in size.

### ***The Tantalum Market***

#### *Supply Issues*

- In 2008, global primary production of Ta<sub>2</sub>O<sub>5</sub> was estimated to be 3.55 million lbs, representing 57 per cent. of the total market of 6.0 million lbs.
- Globally there are seven major producers of tantalum feedstock of which Noventa was number seven in 2007; producers are a mix of private, public and government owned entities. The remaining supplies come from small scale artisanal miners, existing stocks and recycling.
- In 2007 the largest producer was Talison (private company) accounting for 33 per cent. of primary production. An attempt to negotiate significantly higher tantalum prices failed last year and on 23 December 2008 Talison put its tantalum operations on a care and maintenance basis.
- Important sources of secondary supply included US Government inventory. However in December 2006 the US Government announced it had sold its remaining material.
- To date buyers have survived on their own supply of inventory. However since Q4 2006, these stocks have been run down and are now at historic low levels in relation to sales. It is estimated that global inventories would last no more than 12 months at current levels of consumption.
- Coltan – estimated at 0.4 million lbs per annum (10 per cent. of world production) – is a tantalum/niobium concentrate sourced mainly from central Africa. This material is recognised as often being a source of funding for local militias and is deemed by the tantalum industry as an unethical source of supply. However, as it is sold at a steep discount, it displaces ethically sourced tantalum feedstock, principally amongst Chinese users.

#### *Demand Issues*

- Buying power is highly concentrated with the top two buyers – US based Cabot Corporation and European based HC Starck - controlling 75 per cent. of the market.
- Demand for electronic equipment drives the demand for capacitors.

#### *Price Issues*

- The Ta<sub>2</sub>O<sub>5</sub> spot price, as reported by Metals Bulletin, is currently US\$35/lb. However, industry prices are mainly determined at privately held negotiations between producers (miners) and buyers (wire & powder manufacturers); long term contracts (>7 years) for fixed volumes are common and contract prices are currently thought to be within the US\$50 - \$60/lb range, valuing the current primary Ta<sub>2</sub>O<sub>5</sub> market at US\$200million per annum.

- Historically, spot prices have been stable. However, during the tech bubble in 2001 prices spiked above US\$200/lb as a combination of speculators and a perceived supply shortage caused spot prices to increase 600 per cent.. *Tantalum: Global Outlook 2009-2013*, published by Paumanok Publications Inc. forecasts prices to rise to US\$100/lb by 2011. Typically however over the long term, tantalum prices have consistently shown growth year on year.
- Despite significant increases in mine operating costs, especially energy and steel related costs, tantalum prices have not responded in the same way to the demand for global minerals. Copper, a major raw material used in the electrical industries, has seen its price increase 317 per cent. since 2002 whilst tantalum prices have increased by only 17 per cent.

## 6. Settlement and CREST

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerized paperless share transfer and settlement system which allows shares and other securities, including depository interests, to be held in and transferred in electronic rather than paper form. The Ordinary Shares have been admitted to CREST. Accordingly, settlement of transactions in the New Ordinary Shares may take place within CREST if relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to retain certificates will be able to do so. It is expected that share certificates for New Ordinary Shares to be held in certificated form will be despatched by the Registrars no later than 22 October 2009, and that New Ordinary Shares will, where appropriate, be delivered into CREST on 15 October 2009.

## 7. Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 8 of Part III of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

## 8. Jersey Taxation

**The following is a general summary of certain Jersey tax matters and is not, and should not be considered as constituting advice. Any person who is in any doubt as to his or her taxation position, or is subject to taxation in a jurisdiction or jurisdictions other than Jersey, should consult an appropriate professional adviser without delay.**

### *Jersey Taxation*

The following summary of the anticipated treatment of the Company and holders of Ordinary Shares (other than residents of Jersey) is based on Jersey taxation law and practice as it is understood to apply at the date of this document. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as it applies to any land or building situate in Jersey). Prospective investors in the New Ordinary Shares should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of Ordinary Shares in the Company under the laws of any jurisdiction in which they may be liable to taxation.

### *Taxation of the Company*

The Company is regarded as resident for tax purposes in Jersey and on the basis that the Company is neither a financial services company nor a utility company for the purposes of the Income Tax (Jersey) Law 1961, as amended, the Company is subject to income tax in Jersey at a rate of zero per cent.

Dividends on Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax and holders of Ordinary Shares (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares.

### ***Goods and Services Tax***

Jersey has introduced a tax on goods and services supplied in the Island (“GST”). GST is currently not chargeable on supplies of goods and/or services made by the Company. The Directors intend to conduct the business of the Company such that no GST will be incurred by the Company.

### ***Stamp duty***

In Jersey, no stamp duty is levied on the issue or transfer of the Ordinary Shares except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer Ordinary Shares on the death of a holder of such Ordinary Shares. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situate in respect of a holder of Ordinary Shares domiciled in Jersey, or situate in Jersey in respect of a holder of Ordinary Shares domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75 per cent. of such estate.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there otherwise estate duties.

**If you are in any doubt as to your tax position you should consult your professional adviser.**

## **9. Extraordinary General Meeting**

You will find set out at the end of this document a notice convening an extraordinary general meeting of the Company to be held at 11.00 a.m. on 14 October 2009 at the offices of Carey Olsen of 47 Esplanade, St. Helier, Jersey, JE1 0BD for the purpose of considering and, if thought fit, passing the Resolutions.

To be passed, Resolution 1 will need to be passed as an ordinary resolution, requiring a majority of not less than 50 per cent. of Shareholders voting in person or by proxy in favour of the relevant Resolution at the EGM. Resolutions 2 and 3 will need to be passed as a special resolution, requiring a majority of not less than 66.67 per cent. of Shareholders voting in person or by proxy.

Assuming that Resolution 3 is passed, the Loan Notes are converted into 10,000,000 Ordinary Shares, the Placing and Open Offer proceeds to completion and that there is no further exercise of options under the employee share option scheme in place, the Company will have an authorised share capital of £500,000 divided into 1,250,000,000 Ordinary Shares of which 191,255,372 Ordinary Shares will be in issue.

The authority of the Directors to allot 216,653,800 Ordinary Shares granted pursuant to Resolution 1 represents approximately 510 per cent. of the issued share capital of the Company on 23 September 2009 (being the latest practicable date prior to publication of this document).

The authorised share capital of the Company is also being increased pursuant to Resolution 2 to enable allotment of the New Ordinary Shares and to enable allotment of further Ordinary Shares in the future. If the Loan Notes convert and the Placing and Open Offer completes, 1,058,744,628 Ordinary Shares will remain authorised but unissued (representing approximately 85 per cent. of the authorised share capital of the Company). Other than to satisfy the exercise of options and the Warrants and the allotment of Ordinary Shares under the Company’s share based employee incentive schemes and save for the further equity fundraising planned for the next twelve months, the Directors have no present intention of allotting the remaining Ordinary Shares pursuant to the authority granted to them at the EGM, but consider that the remaining number of unissued Ordinary Shares provide a desirable margin to retain flexibility in the future.

For the avoidance of doubt the Resolutions to be proposed at the EGM will, if passed, provide the Board with the authority to issue further equity on a non-pre-emptive basis immediately following the EGM.

## 10. Additional Information

The attention of Shareholders is drawn to the information contained in Parts II and III of this document which provides additional information on the Placing and Open Offer and of the principal risks attached to the purchase of Ordinary Shares in the Company.

## 11. Action to be taken

*In respect of the EGM:*

**You will find enclosed with this document a Form of Proxy for use by Shareholders at the EGM. Whether or not you intend to be present at the EGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Capita Registrars Limited, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event not later than 11.00 a.m. on 12 October 2009 being 48 hours before the time appointed for holding the EGM. Completion of a Form of Proxy will not preclude you from attending the meeting and voting in person if you so choose.**

*In respect of the Open Offer:*

**Qualifying Non-CREST Shareholders (i.e. holders of Ordinary Shares who hold their Ordinary Shares in certificated form) wishing to apply for Offer Shares or Excess Shares**

If you are a Qualifying Non-CREST Shareholder, you will receive an Application Form which gives details of your entitlement under the Open Offer. Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for further Offer Shares. Further details in relation to how to complete the Application Form are set out in paragraph 3 of Part III and, for Qualifying Non-CREST Shareholders, the Application Form.

If you wish to apply for Offer Shares under the Open Offer, you should complete the Application Form in accordance with the procedure for application set out in paragraph 3 of Part III: “Terms and Conditions of the Open Offer” of this document and on the Application Form itself. Completed Application Forms, accompanied by full payment in accordance with the instructions in paragraph 3 of Part III “Terms and Conditions of the Open Offer” of this document, should be posted in the accompanying pre-paid envelope or returned by post or by hand (during normal business hours only) to the Receiving Agent, Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive as soon as possible and in any event so as to be received by **no later than 11.00 a.m. on 12 October 2009.**

If you do not wish to apply for any Offer Shares, you should not complete or return the Application Form.

### ***Qualifying CREST Shareholders***

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 4 of Part III: “Terms and Conditions of the Open Offer” of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4 of Part III: “Terms and Conditions of the Open Offer” of this document by no later than 11.00 a.m. on 12 October 2009.

**Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.**

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from an independent professional adviser authorised under FSMA.

The attention of Overseas Shareholders is drawn to the relevant paragraph headed “Overseas Shareholders” in paragraph 8 of Part III of this document and to the warranty concerning Overseas Shareholders on the Application Form.

If you do not wish to apply for any Offer Shares under the Open Offer, you should not send a USE message through CREST. Shareholders are nevertheless requested to complete and return the Form of Proxy. If you are in any doubt as to what action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor or other independent professional adviser duly authorised under the FSMA who specialises in advice on the acquisition of shares and other securities.

## **12. Recommendation**

The Board believes that:

- the Placing and Open Offer;
- the approval of the issue of the Conditional Placing Shares;
- the issue of the New Ordinary Shares on the conversion of the Loan Notes;
- the exchange of the Existing Loan Notes for new Ordinary Shares;
- the issue of the Investors Union Shares; and
- the authority of Directors to issue shares on the exercise of the Warrants, Blomfield Warrants and BFS Warrants;

are in the best interests of the Company and its Shareholders as a whole. Accordingly the Directors (other than Mr. Kohn in relation to the related party transactions involving BFS) unanimously recommend that you vote in favour of the Resolutions as Eric Kohn, John N Allan and Martin Hinxman intend to do in respect of their own beneficial shareholdings or those they control, totalling 3,116,279 Existing Ordinary Shares, representing approximately 7.34 per cent. of the Company's issued ordinary share capital.

The issue of the BFS Warrants and the payment of placing commission to BFS is a Related Party Transaction as defined under the AIM Rules for Companies. The independent Directors (all Directors other than Eric Kohn), who have consulted with the Company's nominated adviser, believe the terms of the issue of the BFS Warrants and the payment of placing commission to BFS, to be fair and reasonable in so far as shareholders are concerned. In addition, the exchange by HAVL of its Existing Loan Notes for Ordinary Shares is a Related Party Transaction as defined under the AIM Rules for Companies. The Directors, who have consulted with the Company's nominated adviser, believe the terms of the issue to be fair and reasonable in so far as shareholders are concerned.

Yours faithfully

**Eric Kohn TD**  
*Executive Chairman*

## PART II

### RISK FACTORS

The attention of potential investors is drawn to the fact that the purchase of Ordinary Shares in the Company involves a variety of risks. All potential investors should carefully consider the entire contents of this document including, but not limited to, the factors described below before deciding whether or not to invest in the Company. The information below does not purport to be an exhaustive list or summary of the risks affecting the Company and the risks described are not set out in any particular order of priority. There may be additional risks of which the Directors are not aware. Investors should consider carefully these risks before making a decision to invest in the Company.

**Prospective investors should consider carefully whether investment in the Company is suitable for them in light of the risk factors outlined below, their personal circumstances and the financial resources available to them. Prospective investors are advised to consult an independent adviser authorised under the FSMA if you are in the United Kingdom, the Financial Services (Jersey) Law 1998 if you are in Jersey, or the relevant legislation if you are in another jurisdiction, who specialises in advising on investments of this kind before making any investment decision.**

**If any of the events described below actually occur, the Company's business, financial condition, operating results or future operations could be adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company.**

Information, opinions and quotations in this document are as at the date of writing and may change without notice. The Directors are under no obligation to ensure that such updates are brought to the attention of any recipient of this material.

#### **Risks Relating to the Group's Operations and Industry**

##### ***Additional requirements for capital***

Mining and processing is capital intensive, complex and expensive. Long-term production and processing will require substantial ongoing expenditures and the Group intends to develop commercially exploitable operations under each of its existing Mining Permits, which will also require substantial expenditure. There can be no guarantee that additional costs will not be incurred or that budgeted expenditures will be adequate, and this may increase the amount of additional funding required by the Group. The Group is not currently generating any cashflow from its operations and has not produced any tantalum concentrate since its operation at the Marropino mine was put on a care and maintenance basis in May 2009.

**No assurances can be given that the Open Offer will be taken up in full, or that the Company will be able to raise the additional equity and/or debt finance that it is expected to require for its anticipated future operations on terms acceptable to the Group or at all. If the Company is unable to obtain such funding, or is unable to obtain such funding on satisfactory terms, the Group's implementation of its aims and planned expansions may be materially adversely affected.**

**The funds being sought in this phase may not be sufficient to restore the Company to profitability and, depending on the option that is implemented, further recourse to shareholders and/or lenders will be necessary within approximately three to six months of this financing. Any future financing may dilute Shareholders' proportionate ownership in the Company and could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares.**

### ***General mining risks***

The Group's business activity primarily involves tantalum mining. As is common with all mining operations, there is uncertainty and risk associated with the Group's planned operations that may give rise to additional costs. These risks and uncertainties are difficult to predict and are often affected by factors outside the Group's control.

When mining activities recommence, the Group's operations will be subject to, and may be disrupted by, the risks and hazards normally associated with mining, development and operation of natural resource projects. Many of these risks and hazards are beyond the Group's control, including, but not limited to, geological, geotechnical and seismic factors; fires; power outages; flooding; explosions; land-slides; slope failures; the inability to obtain suitable or adequate machinery; industrial and mechanical accidents; equipment or labour and environmental hazards; and other risks involved in the operation of mines. Any one of these risks and hazards could have a material adverse impact on the Group's business, operations and financial performance.

### ***Operational risks***

The success of the Group's business is affected by a number of factors which are, to a large extent, outside its control. Such factors include the specific mining risks listed above (see "Risk Factors – Risks Relating to the Group's Operations and Industry – General mining risks") and, in addition, the Group's business will be subject to numerous other operating risks when mining activities recommence which include: climatic conditions such as flooding or drought; congestion at transport terminals; industrial action or disputes; environmental hazards; technical failures and other accidents at a processing plant, cargo terminal or related facility. These and other risks and hazards could result in damage to, or destruction of, properties or production facilities, may reduce or cause production to cease at those properties or production facilities, may result in personal injury or death, environmental damage, business interruption, monetary losses and possible legal liability and may result in actual production differing from estimates of production, including those contained whether expressly or by implication in this document. There can be no assurance that operating risks and the costs associated with them will not adversely impact the results of operations or financial position of the Group.

### ***Estimates of mineral reserves and resources***

The mineral resources and reserves data included in this document, while based on the SAMREC Code are estimates only and no assurance can be given that the estimated quantities or grades of minerals will be available to extract, or that any particular level of recovery of minerals will in fact be realised. Mineral exploration is speculative in nature and there is uncertainty in any mineral resource or reserve estimate. Therefore, the actual deposits and the grade of mineralisation encountered may differ materially from the estimates disclosed in this document. There can be no guarantee that an identified resource or reserve will continue to qualify as a commercially mineable deposit that can be legally and economically exploited over the medium to long term. The volume and grade of minerals actually recovered and rates of production from the Group's present Mineral Reserves may be less than geological measurements of the reserves. Market price fluctuations in commodities and exchange rates, and changes in operating and capital costs, may in the future render certain Mineral Reserves uneconomic to mine. In addition, short-term operating factors relating to the Mineral Reserves, such as the need for orderly development of ore bodies and other Mineral Resources or the processing of new or different ore grades, may cause Mineral Reserves to be modified or the Group's operations to be unprofitable in any particular fiscal period. No assurance can be given that the indicated amount of ore or other minerals will be recovered or that it will be recovered at the prices assumed in determining reserves. Mineral Reserve estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative of the entire ore body or Mineral Resource. As more knowledge and understanding of the ore body and Mineral Resource are obtained, the reserve estimates may change significantly, either positively or negatively. The exploitation of Mineral Resources can be affected by such factors as applicable regulations and requirements thereunder, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

## ***Exploration***

Whether or not income will result from the Group's projects depends on the successful establishment of operations at the Marropino mine and the successful establishment of operations at the Group's other sites. Factors including costs, actual mineralisation, consistency and reliability of ore grades and mineral prices affect successful project development, as does the design and construction of efficient processing facilities, competent operation and management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants.

Mineral exploration is speculative in nature, involves many risks and frequently is unsuccessful. There can be no assurance that any discovered mineralisation will result in an increase in the reserves or resources of the Group. If reserves are developed, it can take a number of years from the initial phases of drilling and indication of mineralisation until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish reserves through drilling, to determine processes to extract minerals and, in the cases of new properties, to construct mining and processing facilities. Even if the Group recovers commercial quantities of minerals, there is a risk that it will not achieve a commercial return. For example, the Group may not be able to transport the minerals to commercially viable markets at a reasonable cost or may not be able to sell the minerals to customers at a price and quantity which would cover its operating and other costs.

Exploration and evaluation may be hampered by mining, heritage and environmental legislation, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies. Adverse weather conditions over a prolonged period could also negatively affect exploration, mining and drilling operations and the timing of earning revenues.

As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by the Group will result in any new commercial mining operations being brought into operation.

## ***Mineral titles and other licences***

The Group's operations are subject to mineral titles, land use authorisations, environmental and other licences and regulatory consents (collectively, the "Authorisations") from the Mozambican government. Whilst the Group believes it has obtained all material Authorisations that are required in connection with the Group's business as currently carried on, there can be no assurance that it has every necessary or desirable Authorisation, that the Group requires no further Authorisations to enable it to carry on its operations or that the Group will be able to successfully enforce its current Authorisations. There can also be no assurance that these Authorisations will be renewed following their expiry or that the terms of any such renewed Authorisations will be commercially acceptable to the Group. The government of Mozambique may impose new and unforeseeable conditions on such Authorisations that may affect the viability of the Group's operations, including additional payment and other obligations. This could have a material adverse effect on the Group's business, operating results and financial condition.

The Group's Mining Permits are due to expire as follows: for Marropino on 10 January 2020, for Morrua on 19 July 2029 and for Mutala on 6 September 2031. Each Mining Permit is, thereafter, renewable for subsequent periods of up to 25 years per mining permit provided that certain conditions set out in the mining laws of Mozambique are met and MIREM consents to renewal of the Mining Permit.

The Mining Permit for Morrua (which was originally awarded to the Group in July 2004) was awarded subject to a number of conditions which had to be satisfied by the Group within certain timelines. Despite being awarded the Morrua Mining Permit in July 2004, the Group was unable to gain access to the area until September 2006 due to a dispute between the government of Mozambique and the former holder of mineral rights over the areas covered by the Morrua Mining Permit. A further title for the Mining Permit for Morrua has subsequently been issued to the Group in place of the original title. This new title does not contain the same conditions as those which were set out on the original title. It is not clear whether the original conditions to which the Mining Permit for Morrua was subject continue to apply. If the government of Mozambique seeks to apply the original timelines for compliance with the conditions

contained in the original title for the Morrúa Mining Permit, the Company will not be able to comply with its obligations within the required timelines and, as a consequence, this may result in a refusal to renew or extend the Morrúa Mining Permit and/or in additional costs being incurred by the Group.

The Group's Exploration Licences are due to expire as follows: for Ginama on 5 October 2009, the 5 titles at Morrúa on 29 November 2009 and, in respect of one further title at Morrúa, on 3 December 2009 and for Mutala on 6 September 2011. The Exploration Licences may be extended or renewed for a subsequent period of up to 5 years per title provided that certain conditions set out in the Mining Laws are met. Under the Mining Laws, the holder of an exploration licence has the right to apply for a mining permit covering the minerals and the area which are the subject of the prospecting and exploration licence. Provided that the Group complies with the conditions and requirements set out in the Mining Laws for a mining permit to be awarded, the relevant mining permit should be granted. As in the case of the renewal of a mining permit, there is always the risk that the government refuses to award a mining permit to the Group, although, in such circumstances, the government could be held liable to the Group for its actions.

Although the MIREM should have no grounds to deny an extension or renewal of any Mining Permit or Exploration Licence where all the conditions set out in the Mining Laws are met, it is possible that the government of Mozambique will take into account political or other similar considerations notwithstanding the regulatory framework. Any failure to have an existing Mining Permit or Exploration Licence renewed or extended, or to have a new mining permit granted in respect of an area where the Group currently has an Exploration Licence, could have a material adverse effect on the Group's business, operating results and financial condition.

#### ***Title to property***

Whilst the Group has investigated its title to and rights over and interests in and relating to, its mining assets, this should not be construed as a guarantee of the Group's title to its mining assets. Although the government of Mozambique operates a central mineral register that is expected to be true and accurate, there can be no assurance that title to some of the Group's properties will not be challenged or impugned by other parties claiming conflicting mineral or other land and natural resource related rights over the area. Additionally, the land upon which the Group holds mineral exploration and/or mining rights may not have been surveyed; therefore, the precise area and location of such interests may be subject to challenge. Any defects, if they exist, could adversely affect the Group's title to the affected properties or delay or increase the cost of development of such properties. Moreover, if the land upon which the Group holds mineral exploration and/or mining rights is occupied by other lawful occupants and it becomes necessary to relocate such occupants and their assets so that mineral deposits found in those areas can be developed and mined, the Group will incur relocation and compensation costs in respect of those lawful occupants. This could adversely affect or delay the Group's development and mining operations and/or increase the cost of development thereof.

#### ***Reliance on key future facilities***

The Board expects that a significant portion of the Group's future revenue will be derived from its operations at the Marropino and Morrúa mines (which will be dependent on the Company obtaining sufficient financing). Significant disruption to the Group's operations at either Marropino (when mining activities recommence) or Morrúa (if mining operations are established there) could have a material adverse effect on the Group's business, operating results and financial condition.

#### ***Dependence on relations with third parties***

The Group is heavily dependent on its ability to secure reliable supplies of materials and provision of certain services from third-party suppliers, in order to carry out its operations when these recommence. Whilst the Group currently has arrangements in place for some of these materials and services, there can be no guarantee that these arrangements will be sufficient for the Group's future needs or that such supplies or provision of services will not be interrupted or cease altogether.

Some of the materials or services required for the Group's operations are currently only available on commercially reasonable terms from one or a limited number of suppliers or providers. These operations, when they recommence, may be interrupted or otherwise adversely affected by lack of

supply, or delays in the supply of these materials or services by third party suppliers, by any change to the terms on which these materials or services are made available by third party suppliers and by the failure of third party suppliers to provide materials or services that meet the Group's quality requirements. If the Group is forced to change a supplier of such materials or services, there is no guarantee that this would not result in the Group experiencing additional costs, interruptions to supply continuity or some other adverse effect on its business. There is also no guarantee that the Group will be able to find adequate replacement materials or services on a timely basis or at all.

#### ***Dependence on key contracts and business arrangements***

When mining activities recommence, a large portion of the Group's revenue will be derived from sales of its tantalum products pursuant to an offtake agreement. A failure to re-negotiate the price of tantalum concentrate sold under this offtake agreement was one of the reasons given by the Company's previous management for the poor performance of the Group leading to the Marropino mine being put on a care and maintenance basis in April 2009. Failure or material delay by the counterparty to perform or a breach of its obligations under the offtake agreement or failure by the Company to renew such arrangements could have a material adverse effect on the Group's business, operating results and financial position.

In addition, although a portion of the Group's revenue could be derived from sales of its morganite products, the Group's counterparty under the agreement for supply of morganite extracted by the Group has experienced a marked decrease in demand, leading it to be unable to honour its commitments to the Group when the Group put the Marropino mine on a care and maintenance basis in April 2009. Continued failure or material delay by the counterparty to perform or a breach of its obligations or failure by the Group to renew such arrangements could have a material adverse effect on the Group's business, operating results and financial position.

#### ***Dependence on key personnel and external contractors***

The success of the Group depends and will continue to depend to a significant extent upon its management and a limited number of key employees. Whilst the Group has entered into contractual arrangements with the aim of securing the services of management and other key employees, the retention of these services cannot be guaranteed, nor can the Company's ability to hire appropriate new staff. The loss of any member of management or one or more key employees could have a material adverse effect on the Group's business, operating results and financial position.

The success of the Group's operations is also dependent to a significant extent on the efforts and abilities of outside specialists, experts and other advisers. Investors must be willing to rely to a significant extent on management's discretion and judgement as well as the expertise and competence of outside contractors, experts and other advisers.

#### ***Logistical risks***

When it is producing tantalum concentrate, the Group depends primarily on road links throughout the Zambezia, Nampula and neighbouring provinces to transport materials, supplies and products over long distances between its facilities and the coastal ports. Although sufficient for the Group's operations until now there can be no guarantee that these transport services will be adequate to support the Group's planned expansion in operations. Although the Group is proposing to change the transport route of the concentrate to the customer, avoiding the current costly overland transport to the port of Walvis Bay in Namibia, and is currently testing the viability of this proposal, there is no assurance that, if the transport route is changed, the new route will be successful in reducing the Group's transport costs to the extent expected by the Group, or at all.

Mozambique's physical infrastructure has suffered from a lack of funding and maintenance. Further deterioration of Mozambique's physical infrastructure could disrupt the transportation of goods and supplies, add costs to doing business in Mozambique and interrupt business operations, which could have a material adverse effect on the Group's business, operating results and financial position. If these transportation routes became disrupted, it could temporarily impair the Group's ability to supply its products to its customers and thus adversely affect its business and operating results. In addition, seasonal climate changes may severely impact the Group's ability to use these routes.

### ***Power supply***

The Group's operations depend upon the reliable and continuous delivery of sufficient quantities of power to its mines and processing facilities. The Group currently generates its own power on site, but the Board expects that it will receive line power in the near future. There can be no guarantee that connection to the national power supply will be completed in accordance with the current timetable, that sufficient future supplies of power will be available to meet the Group's needs or that, if sufficient power is, or becomes, available, the Group will be able to purchase sufficient power for its needs on commercially acceptable terms or at all. Failure to secure sufficient power in the future could have a material adverse effect on the Group's business, operating results and financial position. Failure of, or interruptions to, line power in the future may require the Group to return to on site generation, which may have a material impact on the Company's financial results. The reliability of supply from either line power or on-site generation cannot be guaranteed.

### ***Employment risks***

It is believed that the majority of the Group's workforce in Mozambique is unionised. Although the Group believes that all of the Group's operations have, in general, good relations with their employees and unions, the Group's operations in Mozambique have from time to time in recent years experienced limited work stoppages and other forms of industrial action. There can be no assurance that the Group's operations will not be affected by such problems in the future. In addition, the Group may be subject to union demands for pay rises and increased benefits which may lead to work stoppages or labour-related demands. When mining activities recommence, there can be no assurance that any work stoppages or other labour-related developments (including the introduction of new labour regulations in countries where the Group operates) will not have a material adverse effect on the Group's business, operating results and financial position.

The remoteness of the Group's operations in Mozambique, the prevalence of malaria and other tropical diseases, the possibility of being involved in an accident and working in an environment with low levels of radioactivity could result in an employee becoming ill or being injured and seeking compensation from the Group on the basis of there being some claimed deficiency in their working conditions.

### ***Employee work permits***

Although the Group has the right to employ expatriates in its Mozambican operations, such expatriates are required to obtain work permits before they are legally entitled to commence work. The procedures regarding the application and issuing of work permits for expatriate staff are cumbersome and time consuming with each application being subject to review and approval by the Mozambican labour authorities. Therefore, whilst the Group makes every effort to obtain work permits for its expatriate employees because of problems such as the remoteness and distance of its Mozambican operations from the regulatory authorities located in the provincial capital there may be employees who, for a limited period, work on site without having been formally granted a work permit. When mining activities recommence, there can be no assurance that the Group and/or the employee in question will not be charged with a breach of Mozambican immigration and labour laws and that, as a consequence, fines may be levied or the expatriate may be forced to stop work or leave the country until his work permit is in order. These matters could have a material adverse impact on the Group's business, operating results and financial position.

Furthermore, whilst the Group has historically been able to staff its operations with expatriate staff possessing the required technical skills, when mining activities recommence, there is no assurance that the Group will be able to continue to do so. Although it is expected that the government of Mozambique will implement a new labour code which will make the procedure for hiring expatriates more flexible and less cumbersome, this new legislation is not yet in force. Furthermore, the government of Mozambique may enact new legislation or regulations which restrict the Group's ability to hire expatriates to work in Mozambique. As a consequence although the Group undertakes on-going training for its Mozambican employees, the Group may not be able to staff its operations with employees possessing the appropriate technical skills since such skills are scarce or may not even exist within the domestic Mozambican employment market. This could have a material adverse impact on the Group's business, operating results and financial position.

### ***Security***

A high degree of security is required to mitigate the risk of loss by theft of the Group's assets (including mineral assets) either by the Group's employees or third parties. No assurance can be given that the Group will be able to provide effective security in connection with its mineral assets. The Group is not currently insured against the risk of theft of its mineral assets as such insurance is not currently available or uneconomic.

### ***Competition***

The mining industry is intensely competitive throughout all phases of production and business. There is a high degree of competition for the recruitment and retention of employees possessing the required technical skills for services and for access to funds. The Group will be competing for staff and also for financing against competitors that may be larger and better capitalised than it is and that have substantially greater technical and operational resources and staff. There can be no assurance that the Group will be able to recruit the necessary skilled employees or raise the necessary funds to enable it to develop its projects fully in accordance with its current plans on time and to budget. This could have a materially adverse impact on the Group's business, operating results and financial position.

### ***Environmental and other regulatory requirements***

The activities of the Group are subject to environmental legislation and regulations issued by the Mozambican government. Environmental legislation generally governs restrictions and prohibitions on spills, waste and waste water treatment and further disposal, emissions and discharge requirements, plant and wildlife protection, reclamation and restoration of mining properties before, during and after mining is complete, surface subsidence from underground mining and the effects that mining has on surface and/or groundwater quality and availability. Environmental legislation and regulations also require an impact assessment and management plan to be conducted prior to commencement of mining operations as well as regular environmental reporting obligations. A breach of any of these laws and regulations may result in the imposition of fines and penalties; the imposition of other enforcement action such as curtailment or cessation of operations (whether temporary or permanent) or the making of orders to remedy the effects of violations and/or to take steps against possible future violations.

There can be no assurance that compliance with these laws and regulations will not involve significant expenditure by the Group which may adversely affect the Group's business, operating results and financial position. Further amendments to current laws, regulations and permits or the introduction of new laws or regulations governing operations and activities of mining companies could have a material adverse impact on the Group and increase its expenditure and costs, or require abandonment of, or cause delays in, developing new mining properties. Any such measures could have a material adverse effect on the Group's business, operating results and financial position.

### ***Radioactivity***

The production of tantalum concentrate involves working with minerals which are often slightly radioactive because of the small quantities of uranium and thorium naturally occurring in the ore. Having taken expert advice, the Directors believe that appropriate measures are in place for the monitoring of radioactivity levels and the handling of such minerals. However, regulatory changes concerning such materials and their handling, or other matters, in the future may have a material adverse effect on the Group's business, operating results and financial position.

### ***Artisanal miners***

A significant number of artisanal workers are currently involved in unauthorised small-scale mining within the area covered by some of the Group's mineral titles. In addition, there is a risk that such artisanal miners may oppose the Group's operations which may result in a disruption to the planned redevelopment works and/or to mining and processing operations. This could have a material adverse effect on the Groups business, operating results and financial position.

### ***Uninsured risks***

The Group's business, and the mining industry in general, is subject to significant risks that may occur in the course of exploration, development or production of mineral properties and which could result in damage to, or destruction of, mineral properties or operating facilities, personal injury or death,

environmental damage, delays in mining and legal liability. The Group assets and/or activities are not currently fully insured and it is not always possible to fully insure against such risks as a result of high premiums, local regulatory approvals or other reasons.

In particular, as the insurance industry in Mozambique is not well developed, the Group may well need to obtain coverage from international insurance providers and this may attract a high premium and require local regulatory approvals. Should such liabilities arise, they could have a material adverse effect on the Group's business, operating results and financial position.

### ***Litigation***

There is a long outstanding criminal investigation against two of the Group's previous employees in respect of the theft of morganite at the Marropino mine. HAMC Limitada is a party to these proceedings as the victim. Save for the foregoing and the summons issued by Mr A T Van Heerden out of the High Court of South Africa against HAMC Project Services (Proprietary) Limited (amongst other defendants) seeking damages for alleged wrongful imprisonment relating to the morganite case, the Group currently has no outstanding litigation. However, there can be no guarantee that the current or future actions of the Group will not result in litigation since the mining industry, as with all industries, is subject to legal claims, both with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Group's business, operating results and financial position.

### ***Management of future growth***

There can be no assurance that the Group will be able to effectively manage the proposed expansion of its operations, and the Group's current systems, procedures and controls will need to be expanded and strengthened to support any such growth. Any failure of management to effectively manage the Group's future growth and development could have a material adverse effect on the Group's business, financial position and results of operations. There is no certainty that all or, indeed, any of the elements of the Group's current strategy as described in this document will be delivered.

The Group may, from time to time, seek to undertake strategic acquisitions or other such business opportunities. However, there can be no guarantee that the Group will be able to identify suitable opportunities or, if such opportunities are identified, integrate acquisitions or other collaborations into its existing business or successfully realise the growth expected from such opportunities. To the extent the Group encounters such problems, its business, operating results or financial position could be adversely affected.

### ***Volatility of commodity prices***

Demand for the Group's products which are not covered by the Offtake Agreement are sensitive to the market prices of commodities, particularly those of tantalum, morganite and other minerals. These prices are volatile and are affected by numerous factors beyond the Group's control. These include international supply and demand, the level of consumer product demand, international economic trends, the availability and costs of substitutes, inventory levels maintained by producers and others, actions of participants in the commodities markets, currency exchange rate fluctuations, interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces.

Sustained downward movements in minerals prices and/or demand, and in particular in the world tantalum or morganite markets, could render less economic, or uneconomic, some or all of the Group's exploitation and production activities.

### ***Currency exchange risk***

The Group produces and sells commodities that are typically priced in US dollars, the Group's reporting currency, whilst a significant portion of the Group's costs and development expenditure are expected to be incurred in other currencies, in particular the Mozambican Metical and the South African Rand. The Directors cannot predict the effect of foreign exchange rate fluctuations on the Group's future operating results or financial condition. The strengthening of those currencies and other currencies in which the

Group incurs expenditure against the US dollar has a detrimental effect on the Group's results of operations and financial condition. There can be no assurance that exchange rate fluctuations will not have a material adverse effect on the Group's business, operating results or financial condition.

### ***Financial reporting risks***

The Group's operations to date have not necessitated a large finance and administrative function, and the Group only has limited formal operational reporting and formal risk management procedures. These procedures will have to be enhanced and expanded to cater for those that are necessary and appropriate for a public company carrying on the activities the Group proposes to carry on. Whilst the Group has established financial reporting and risk management procedures that it considers to be appropriate for its present level of activities, these procedures have only recently been developed and have been tested only to a limited extent, and it may become necessary to implement additional procedures in the future. There can be no guarantee that any such additional procedures will be implemented in time or be sufficient for the Group's needs. This could have a material adverse effect on the Group's business, results of operations and financial condition.

### ***Tax risks***

The Company is incorporated in Jersey. As such, it is subject to corporation tax at 0 per cent. However, Jersey, along with other jurisdictions has recently been subject to increased levels of international scrutiny by organisations such as G20 and is currently the subject of a UK Government sponsored review along with other offshore dependencies due to issues arising out of the global financial crisis. This scrutiny has not, as yet, affected the regime under which the Company operates in Jersey, but there is no guarantee that the Company's status could not be adversely affected by changes to Jersey's tax and regulatory regime or the international treatment thereof arising out of or in connection with such matters.

The Group's corporate structure includes companies which have been incorporated in several different jurisdictions. Additional tax liabilities would arise in these companies if they are considered resident in a jurisdiction other than where the relevant company was incorporated which could have a material adverse impact on the Group's financial conditions.

HAMC Limitada is subject to tax in the Republic of Mozambique under the Mining Laws and the general tax laws of Mozambique. However, the operations of HAMC Limitada at the Marropino mine are subject to a different tax regime which is set out in the Marropino Mining Contract. This tax regime is more favourable than the current generally applicable regime. Whilst the Marropino Mining Contract and the Mining Laws expressly guarantee that the tax regime set out in the Marropino Mining Contract will not change (save where any proposed change benefits the titleholders) there is a risk that the Mozambican tax authorities might seek to amend the tax regime set out in the Marropino Mining Contract to conform with the generally applicable tax regime. Further, a new tax regime for mining activities in Mozambique is expected in the near future. The imposition of a different tax regime on HAMC Limitada with regard to its Marropino or other mining operations could have a material adverse impact on its and the Group's business, results of operations and financial condition.

### ***Non-payment of surface tax***

Pursuant to the Mining Laws, HAMC Limitada is required to pay surface tax on an annual basis in respect of each of its Mining Permits and Exploration Licences. Failure to pay surface tax following a demand by the relevant authorities may lead to a cancellation of the relevant mineral titles.

These matters could have an adverse impact on the Group's business, operating results and financial position.

## **Risks Relating to Operating in Mozambique**

### ***Political, regulatory and economic instability***

The Group's operations are located in Mozambique and are subject to the laws and regulations of Mozambique. Mozambique has had prolonged periods of war and pronounced political and civil unrest. A peace agreement was reached in the early nineties which has introduced political stability for Mozambique. However, the Group's operations are still exposed to various levels of political risk and

regulatory uncertainties, including government regulations, policies or directives relating to mining and mine safety, foreign investor status, restrictions on production, price controls, export controls, income taxes, nationalisation or expropriation of property, repatriation of income, royalties and environmental legislation.

Operations may also be affected to varying degrees by political and economic instability, economic or other sanctions imposed by other countries, terrorism, civil wars, guerrilla activities, military repression, civil disorder, crime, stability of the workforce, extreme fluctuations in currency exchange rates and high inflation.

Any changes in regulations or shifts in economic or political conditions are beyond the control of, and may adversely affect, the Group's business, operating results and financial position.

#### ***Remote African location***

The Group operates in a remote African location which brings with it certain operational risks including, amongst others, security, logistics, interactions with the local authorities (including the police and judiciary) as well as local politics. The remoteness of the African location and associated problems may hinder the operation of the Company and may adversely affect the Group's business, operating results and financial position.

#### ***Climate***

Weather conditions in Mozambique can fluctuate severely. Rain storms, flooding, drought and other adverse weather conditions are common and can severely disrupt transport in the region where the Group operates and other logistics on which the Group is dependent. Although it is believed that the Group's operations are geared to operate in all seasons, such events may have a material adverse effect on the Group's business, operating results and financial condition.

#### ***Exchange control risks***

Foreign exchange control requirements in Mozambique may have an adverse effect on the Group's profitability and/or ability to repatriate the profits (if any) from the Group's operations when mining activities recommence from Mozambique and/or make intra-Group payments from Mozambique under the existing contractual structure involving various subsidiaries.

The Mining Laws contain foreign exchange control requirements applicable to the holders of mineral titles in Mozambique. Provided that the holder of the mineral title complies with the authorization procedures of the foreign exchange legislation it will be entitled to transfer funds to non-resident entities, as well as repay loans entered into with foreign creditors, including shareholders. Further, under the terms of the Marropino Mining Contract, HAMC Limitada is authorised to maintain a bank account outside of Mozambique, to receive revenue in this external account from export sales of mineral products and to make payments which are creditable to its Mozambican operations. There can be no assurance that the government of Mozambique will not significantly change the foreign exchange control regime or the manner in which this regime is currently being enforced, which could have a material adverse effect on the Group's business, operating results and financial position.

#### ***Inflation risk***

Mozambique has historically had high rates of inflation. For the year 2008, the Mozambican Reserve Bank reported an average annualised inflation rate of 10.4 per cent. As the Group will not be able to control the market price at which it sells the minerals it produces (except to the extent that it enters into forward sales and other derivative contracts), it is possible that high inflation rates in Mozambique in the future could result in an increase in future operational costs in Mozambique which could have a material adverse effect upon the Group's business, results of operations and financial condition.

#### ***Legal system***

Although Mozambique has a reasonably well developed legal system there are a number of difficulties that affect its proper implementation and effectiveness. These difficulties may result in risks such as (i) potential problems in obtaining effective legal redress in the courts of Mozambique, whether in respect of a breach of law or regulation, or in respect of an ownership dispute; (ii) the Mozambique authorities may exercise a higher degree of discretion when determining matters as compared to governmental

authorities in other jurisdictions; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In addition, the commitment of local business people, government officials and agencies and the judicial system to comply with legal requirements and negotiated agreements may be more uncertain, creating concerns with respect to licences and agreements for business which may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. These difficulties could have a material adverse effect upon the Group's business, results of operations and financial condition.

#### ***HIV/AIDS and tropical disease***

HIV/AIDS and tropical diseases are prevalent in Mozambique. Official estimates indicate that the HIV infection rates in some parts of Southern Africa are among the highest in the world. The actual incidence of HIV/AIDS may be significantly higher than current official estimates. Current and future employees of the Group may have contracted, or could contract, this potentially deadly virus. Mozambican law prohibits HIV testing as a condition for employment as well as any form of discrimination against persons who are HIV positive or have AIDS. Mortality due to HIV/AIDS and tropical diseases could result in lost employee man-hours, loss of trained and experienced employees, increased absenteeism, depressed morale or reduced productivity, in addition to increased recruitment and replacement costs, insurance premiums, benefits payments and other costs of providing treatment, which could have an adverse effect on the Group's business, financial position or results of operations.

### **Risks Relating to the Group's Structure**

#### ***Control by certain Shareholders***

Assuming the exchange of the Existing Loan Notes for Ordinary Shares and no take up of shares under the Open Offer, HAVL, Kerias Management Trading Limited and Fleming Family & Partners (Liechtenstein) AG as trustee of the Mozambique Trust, who are Related Parties under the AIM Rules (the "Connected Shareholders"), would hold approximately 42.66 per cent. of the Enlarged Share Capital. Assuming the take-up in full of the Open Offer, the Connected Shareholders would hold approximately 53.98 per cent. of the Enlarged Share Capital.

The Company entered into an agreement dated 15 March 2007 with the Connected Shareholders (the "Relationship Agreement"). Whilst the Company has entered into the Relationship Agreement to ensure that the Group is capable of carrying on its business independently of the Connected Shareholders, by virtue of the level of their shareholding the Connected Shareholders will continue to be able to exercise substantial influence over the Group's business following the Placing and Open Offer, including the election of Directors and the approval of certain business decisions. In addition, the Connected Shareholders have sufficient voting power, to, among other things, delay or deter a change of control, which could deprive Shareholders of an opportunity to earn a premium for the resale of their Ordinary Shares over the then prevailing market price. There could also be a conflict between the interests of the Connected Shareholders and the interests of the Company's other Shareholders with respect to, for instance, dividend policy. In addition to ownership of the Ordinary Shares, the Connected Shareholders have certain rights in respect of the Company under the Relationship Agreement, including, among others, the right to appoint up to two Directors to the Board, provided that the Connected Shareholders together hold at least 30 per cent. of the Ordinary Shares.

#### ***Corporate structure risk***

Since the Group conducts its business through various subsidiaries incorporated in a number of different jurisdictions, the Company's ability to pay dividends to its Shareholders will depend on its subsidiaries' ability to pay dividends and to advance funds to their respective Shareholders. Further, its rights to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including any trade creditors and preferred shareholders.

## **Risks Relating to the Ordinary Shares**

### ***Investment in AIM listed securities***

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. AIM has been in existence since June 1995, but its future success and the liquidity in the market of the Company's securities cannot be guaranteed. As a result of fluctuations in the market price of the Ordinary Shares, investors may not be able to sell their Ordinary Shares at or above the Offer Price, or at all. Investors may therefore realize less than, or lose all of, their investment.

In addition, AIM is a market which is less regulated than the Official List. For example, there are fewer circumstances in which the Company would be required to seek Shareholder approval for transactions than if it were listed on the Official List. Further, the requirements to disclose the financial history of any asset-holding companies may be lower.

### ***Share price volatility***

The price at which the Ordinary Shares are quoted and the price at which investors may realise their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect the mining sector or quoted companies generally and which are outside the Company's control. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, legislative changes affecting the mining industry, general economic, political or regulatory conditions, or changes in market sentiment towards the Ordinary Shares.

The results of the Company may also fluctuate significantly as a result of a variety of factors, many of which may be outside the Company's control. Period-to-period comparisons of the Company's results may not be meaningful and major shareholders and investors should not rely on them as indications of the Company's future performance. The Company's results may fall below the expectations of securities analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices for securities and which may be unrelated to the Company's operating performance. Any of these events could result in a decline in the market price of the Ordinary Shares.

**The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an adviser authorised under the FSMA who specialises in investments of this nature before making any decision to invest.**

## PART III

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### OPEN OFFER OF UP TO 53,058,880 OFFER SHARES AT A PRICE OF 4p PER SHARE

##### 1. Introduction

As the letter from the Chairman set out in Part I explains, the Company proposes to raise up to £2,122,355 before expenses by way of the Open Offer.

Pursuant to the Open Offer, 53,058,880 Offer Shares are being offered to Qualifying Shareholders at 4p per share. Eric Kohn TD, the Executive Chairman, John Allan, the Chief Executive Officer and Martin Hinxman, the Chief Financial Officer, being Qualifying Shareholders and Directors have given irrevocable commitments to subscribe for a minimum total of 1,366,279 offer Shares through the Open Offer.

##### 2. The Open Offer

Qualifying Shareholders are hereby invited, subject to the terms and conditions set out below and, where relevant, in the Application Form, to apply for Offer Shares at a price of 4p per share payable in full on application *pro rata* to their existing shareholding which shall be calculated on the following basis:

##### 5 Offer Shares for every 4 Existing Ordinary Shares

and so in proportion for any number of Existing Ordinary Shares held at the Record Date. Entitlements of Qualifying Shareholders to Offer Shares will be rounded down to the nearest whole number of shares. Fractions of Offer Shares will not be allotted to Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility and the Placing.

**Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or who are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 8 of this Part III.**

Valid applications by Qualifying Shareholders under the Open Offer will be satisfied in full up to the applicant's Open Offer Entitlement. In addition, Qualifying Shareholders may also apply to acquire Excess Shares using the Excess Application Facility provided they have taken up their Open Offer entitlements in full. Applicants can apply for less or more than their Open Offer entitlements under the Open Offer. The Company may satisfy valid applications for more than the Open Offer Entitlements for applicants in whole or in part. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it considers to be appropriate in the interest of the Company.

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4 of this Part III: "Terms and Conditions of the Open Offer" for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

Please refer to paragraphs 3 and 4 of this Part III "Terms and Conditions of the Open Offer" for further details of the Excess Application Facility.

To the extent that the monies subscribed by an applicant in relation to any valid application for New Ordinary Shares issued pursuant to that application exceeds the aggregate value of the Offer Price of the New Ordinary Shares to be issued pursuant to that application, the excess subscription monies will be returned to that applicant (at the applicant's risk without interest).

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer as will holdings under different designations and in different accounts.

Qualifying Shareholders who have sold or transferred all or part of their registered holdings are advised to consult their stockbroker, bank or other agent through or by whom the sale or transfer was effected as soon as possible since the benefits arising under the Open Offer may be claimed from them by purchasers.

Subject to statutory withdrawal rights (reference is made to paragraph 9 of this Part III), applications to Offer Shares will be irrevocable. The Offer Shares will, when issued and fully paid, rank *pari passu* in all respects and carry the same voting rights as the Existing Ordinary Shares.

The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

Further details of the Placing and Open Offer Agreement are set out in paragraph 5 of Part III of this document. Further terms of the Open Offer are set out in this document and, for Qualifying non-CREST Shareholders, in the Application Form.

If you have received an Application Form with this document, please refer to paragraph 3 of this Part III.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements and Excess CREST Open Offer Entitlements to your CREST stock account please refer to paragraph 4 of this Part III for further information on the CREST procedures.

**Shareholders should be aware that the Open Offer is not a rights issue and that the Application Form is not a negotiable document and cannot be traded. Entitlements to Offer Shares will neither be tradeable nor sold in the market for the benefit of Qualifying Shareholders who do not apply for them in the Open Offer. Instead, any Offer Shares not taken up by Qualifying Shareholders will be issued under the Excess Application Facility or the Placing, subject to the terms and conditions of the Placing and Open Offer Agreement, with the proceeds retained for the benefit of the Company. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit.**

**If any of the Resolutions are not passed, the Placing and Open Offer will fail and it is likely that the Group would be unable to continue to trade. There is no minimum amount required to be raised by the Placing and Open Offer in order for it to become unconditional, therefore, provided the Resolutions are passed and the other conditions of the Placing and Open Offer are met, any subscription for Offer Shares or Excess Shares will be valid, notwithstanding the general level of support for the Placing and Open Offer. In determining whether to take up any Offer Shares or Excess Shares under the Placing and Open Offer, you should be aware that the EGM will be held after the Placing and Open Offer has been closed for subscription. Shareholders are accordingly strongly urged to complete and return the Form of Proxy enclosed with this document whether or not they intend to apply for any Offer Shares under the Open Offer.**

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts by 25 September 2009.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

**Before making any decision to acquire Offer Shares, you are asked to read and carefully consider all the information in this document, including in particular the important information set out in the letter from the Chairman of the Company in Part I of this document, as well as this paragraph 2 of this Part III and the Risk Factors set out in Part II of this document. Shareholders who do not participate in the Open Offer will be subject to dilution of their existing Noventa shareholdings. The material terms of the Open Offer are contained in paragraph 3 of Part I of this document.**

## 2.1 ***Terms and conditions of the Open Offer***

The Open Offer is subject to the satisfaction of, *inter alia*, the following conditions by no later than 8.00 a.m. on 15 October 2009 or such later time and/or date as the Company may determine (but, in any event not later than 31 October 2009):

- (i) the passing of the Resolutions at the Extraordinary General Meeting;
- (ii) admission of the New Ordinary Shares to trading on AIM; and
- (iii) the Placing and Open Offer Agreement having become unconditional in all other respects and not having been terminated in accordance with its terms.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of New Ordinary Shares held in uncertificated form. Definitive certificates in respect of New Ordinary Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in certificated form by 22 October 2009.

In respect of those Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in uncertificated form, the New Ordinary Shares are expected to be credited to their stock accounts maintained in CREST by 15 October 2009.

Applications will be made for the New Ordinary Shares to be admitted to trading on AIM. Admission is expected to occur and dealings to commence on 15 October 2009.

All monies received by the Receiving Agent in respect of New Ordinary Shares will be credited to a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

## **3. Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have a non-CREST Application Form in respect of your Open Offer Entitlements or your Open Offer Entitlements and Excess CREST Open Offer Entitlements have been credited to your CREST account in respect of such entitlement.

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares at the Record Date. It will also show Qualifying Shareholders the number of Offer Shares available under their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Offer Shares in uncertificated form to the extent that their entitlement to Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4 of this Part III: "Terms and Conditions of the Open Offer".

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Qualifying Shareholders who do not want to apply for the Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST**

**3.1 *Action to be taken if you have a non-CREST Application Form in respect of your entitlement under the Open Offer***

**3.1.1 *General***

Each Qualifying non-CREST Shareholder will have received a non-CREST Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name at the close of business on the Record Date. It also shows the number of Offer Shares for which you are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to you. Qualifying non-CREST Shareholders may also apply for all, less or more than their maximum Open Offer Entitlements.

Fractions (if any) of Offer Shares will not be allotted to Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility. The instructions and other terms which are set out in the non-CREST Application Form constitute part of the terms of the Open Offer.

The Application Form has not been sent to Overseas Shareholders with registered addresses in the United States, Australia, Canada, or Japan and brokers/dealers and other parties may not submit Application Forms on behalf of Overseas Shareholders with registered addresses in any of these countries.

**3.1.2 *Excess non-CREST applications***

Qualifying non-CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility by completing Box 5 of the non-CREST Application Form, should they wish. Valid applications by Qualifying non-CREST Shareholders will be satisfied in full up to their Open Offer Entitlements but applications by Qualifying non-CREST Shareholders for Excess Shares may be subject to scaling back. The total number of Offer Shares will not be increased in response to demand for Excess Shares. Excess subscription monies (being the amount by which the monies subscribed by an applicant in relation to a valid application under a non-CREST Application Form for Offer Shares under the Open Offer in excess of the applicant's Open Offer Entitlement exceeds the aggregate value at the Offer Price of the Offer Shares issued pursuant to that application) will be returned to the relevant applicant (at the applicant's risk and without interest).

**3.1.3 *Procedure for application and payment***

Applications for Offer Shares may only be made on the non-CREST Application Form, which is personal to the Qualifying Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below. The Application Form represents a right personal to the Qualifying Shareholder to apply to subscribe for Offer Shares; it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy bona fide market claims in relation to purchases in the market pursuant to the Open Offer. Application Forms may be split up to 3 p.m. on 8 October 2009 but only to satisfy such *bona fide* market claims. Qualifying Shareholders who have before 24 September 2009 sold or transferred all or part of their shareholdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or

another professional adviser authorised under the FSMA as soon as possible, since the invitation to apply for Offer Shares may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s).

Qualifying Shareholders who submit a valid application using the non-CREST Application Form and accompanying payment will (subject to the terms and conditions set out in this letter and in the Application Form) be allocated the Offer Shares applied for in full at the Offer Price (subject to the Company's discretion to accept, reject or scale back any application for any Offer Shares in excess of an Open Offer Entitlement). Subject to statutory withdrawal rights (reference is made to paragraph 9 of this Part III), applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid.

**If you are a Qualifying non-CREST Shareholder and wish to apply for all, less or more of the Offer Shares to which you are entitled you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post or by hand (during normal business hours only), together with a pounds sterling cheque or banker's draft to the value of the Offer Shares applied for on the Application Form, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as practicable and, in any event, so as to be received not later than 11.00 a.m. on 12 October 2009, after which time Application Forms will not be accepted. The cheque or banker's draft must be drawn on a United Kingdom branch of a qualifying bank or building society, as further described below. Your Application Form will not be valid unless you sign it. If you post your Application Form by first class post in the UK, or in the reply-paid envelope provided for use by Qualifying non-CREST Shareholders, you are advised to allow at least four business days for delivery.**

The Company reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 12 October 2009 from an authorised person (as defined in the FSMA) specifying the Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

#### 3.1.4 *Payments*

Cheques must be drawn on the personal account to which you have sole or joint title to the funds. Your cheque or banker's draft should be crossed "account payee" and made payable to "Capita Registrars re: Noventa Limited Open Offer A/C". Payments must be made by cheque or banker's draft in pounds sterling drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies and must bear the appropriate sorting code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed on the back of the building society cheque or bankers draft the name of the account holder (which must be the same name as printed on page 1 of the Application Form) and their title to funds by stamping and endorsing the building society cheque/bankers draft to such effect. Any application or purported application may be rejected unless these requirements are fulfilled. **Other third party cheques with the exception of those covered by paragraphs 6(i) and (ii) below will be returned.**

The Company shall as soon as practicable following 15 October 2009 refund any payment received with respect to an application for a number of Offer Shares in excess of an Open Offer Entitlement which has been rejected in whole or in part by the Company.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Shareholders in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account. In the event that the Open Offer does not become unconditional, all monies will be returned (without payment of interest) to applicants as soon as practicable.

### 3.1.5 *Effect of application*

By completing and delivering an Application Form you (as the applicant(s)):

- (a) agree that your application, the acceptance of your application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with the laws of England and Wales;
- (b) confirm that in making the application you are not relying on any information or representation other than those contained in this document and the Application Form and you, accordingly, agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that having had the opportunity to read this document you will be deemed to have notice of all the information concerning the Group contained within this document;
- (c) represent and warrant that you are not located in or resident(s) of the United States of America, Canada, Australia or Japan and are not applying on behalf of a person located in or resident of, or with a view to the re-offer, re-sale or delivery of the Offer Shares directly or indirectly in, into or within the United States of America, Canada, Australia or Japan, or to a resident of the United States of America, Canada, Australia or Japan or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;
- (d) represent and warrant that you are not otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of such person(s) on a non-discretionary basis; and
- (e) will also be asked whether or not you can represent and warrant as follows: (i) you have not received the Application Form, this document or any other document relating to the Open Offer in the United States of America, Canada, Australia or in Japan, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into the United States of America, Canada, Australia or into Japan; (ii) you are not and were not located in the United States of America, Canada, Australia or in Japan at the time you accepted the Application Form or at the time you returned the Application Form; (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located and resident outside the United States of America, Canada, Australia and Japan at the time he or she instructed you to submit the Application Form; and (iv) you are acquiring the Offer Shares in an "offshore transaction" as defined for purposes of Regulation S of the United States Securities Act of 1933, as amended.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Offer Shares, save at the discretion of the Company and subject to certain conditions.

You should note that subject to statutory withdrawal rights (reference is made to paragraph 9 of this Part III) applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid. If you do not wish to apply for Offer Shares under the Open Offer you should not complete or return the Application Form.

If you have any queries then please contact Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

#### **4. Action to be taken if you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer**

##### **4.1 General**

Subject as provided in paragraph 8 of Part III: "Terms and Conditions of the Open Offer" in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Offer Shares for which he is entitled to apply to acquire under the Open Offer and also an Excess CREST Open Offer Entitlement. Entitlements to Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 5.00 p.m. on 25 September 2009, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent on telephone number 0871 664 0321, calls to this number are charged at 10 pence per minute from a BT landline, other telephone provider costs may vary, or if calling from overseas +44 20 8639 3399. Please note the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or to apply for Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

#### 4.2 *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Unmatched Stock Event (“USE”) instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Offer Shares referred to in (i) above

(d) *Content of USE instruction in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is JE00B402DH16;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 26823NOV;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 12 October 2009; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 12 October 2009.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 12 October 2009 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 15 October 2009 or such later time and date as the Company and each of Blomfield and RHH determine (being no later than 8.00 a.m. on 31 October 2009), the Placing and Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Offer Shares for which application is being made (and hence being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is JE00B401S621;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Registrar in its capacity as a CREST receiving agent. This is 26823NOV;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 12 October 2009; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 12 October 2009.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contract name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 12 October 2009 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 15 October 2009 or such later time and date as the Company and each of Blomfield and RHH determine (being no later than 8.00 a.m. on 31 October 2009), the Placing and Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 3.00 p.m. on 7 October 2009. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Registrar.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 7 October 2009 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 6 October 2009 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 12 October 2009.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and

warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed “Do you want to deposit your Open Offer Entitlements into CREST?” on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 12 October 2009 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 12 October 2009. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Registrar, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction, refunding any unutilized sum to the CREST member in question (without interest).

(j) *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Offer Shares in excess of their Open Offer Entitlements.

If applications under the Excess Application Facility are received for more than the total number of Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to existing shareholdings.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying

CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Placing and Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 53,058,880 Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Offer Shares has been received, will receive a pounds sterling amount equal to the number of Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Offer Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk. Fractions of Offer Shares will not be issued under the Excess Application Facility and fractions of Offer Shares will be rounded down to the nearest whole number.

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms that in making the application he is not relying on any information or representation in relation to Noventa Limited other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to Noventa contained in this document;
- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants that if he has received some or all of his Open Offer Entitlements from a person other than Noventa Limited, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;

- (vii) requests that the Offer Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the memorandum of association and articles of association of the Company;
  - (viii) represents and warrants that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
  - (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
  - (x) confirms that in making the application he is not relying and has not relied on Blomfield or RHH or any person affiliated with Blomfield or RHH in connection with any investigation of the accuracy of any information contained in this document or his investment decision.
- (l) *Company's discretion as to the rejection and validity of applications*  
The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III: "Terms and Conditions of the Open Offer";
  - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
  - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
  - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer

Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(m) *Lapse of the Open Offer*

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 15 October 2009 or such later time and date as the Company and Blomfield and RHH may agree (being no later than 31 October 2009), the Placing and Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

## 5. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since the date of the Company's admission to AIM and are, or may be, material or are, or may, contain certain provisions under which the Company has a material obligation or entitlement:

- (a) an agreement dated 11 August 2009 between (1) the Company and (2) Blomfield pursuant to which the Company has agreed to issue the Blomfield Warrants, conditional on the passing of certain resolutions at the EGM, to Blomfield giving the right to subscribe for one ordinary Share per warrant thereby giving Blomfield the right to subscribe for a maximum of 1,000,000 Ordinary Shares at the Offer Price for a period of up to seven years. Such conversion right can be exercised at Blomfield's discretion at any time during the exercise period including on the occurrence of a takeover offer going unconditional as to acceptances or a change of control occurring;
- (b) an agreement dated 17 September 2009 between (1) the Company and (2) BFS pursuant to which the Company has agreed to issue the BFS Warrants, conditional on the passing of certain resolutions at the EGM, to BFS giving the right to subscribe for a number of Ordinary Shares equal to 5 per cent. of the Enlarged Share Capital at the Offer Price for a period of up to seven years. The warrants issued to BFS may only be exercised if the price of the Company's Ordinary Shares reaches 25 pence on a 30 day moving average of the closing mid-market quotations on AIM provided that the requirement for the price of the Company's Ordinary Shares to reach 25 pence on a 30 day moving average of the closing mid-market quotations on AIM may be adjusted by the Board as it may reasonably see fit to take account of any reorganisation of the Ordinary Shares including, but not limited to, a division, consolidation or subdivision of Shares. If a takeover offer is made or a change of control occurs in respect of the Company at any time during the exercise period, BFS may exercise the BFS Warrants upon the takeover offer going unconditional as to acceptances or the change of control occurring immediately in accordance with the warrant agreement;
- (c) a novation agreement between (1) HAVL, (2) the Company and (3) BFS pursuant to which, with effect from 17 July 2009, all the rights, title, benefit and interest of HAVL contained in a service agreement dated 29 May 2009 made between (1) BFS and (2) HAVL and a service agreement dated 25 June 2009 made between (1) HAVL and (2) BFS, under which BFS supplied certain services to HAVL, including the services of Eric Kohn TD, was novated to Noventa in consideration for which Noventa agreed to perform all of HAVL's obligations thereunder. The novation agreement provides for the following payment to be received by BFS:
  - a. from 31 August 2009, a monthly retainer of €20,000 in consideration of corporate finance advice and assistance provided by BFS to Noventa;
  - b. the issue to BFS of the BFS Warrants described above under paragraph 5b above;

- c. €10,000 per month from 31 August 2009 in consideration for BFS providing the services of Eric Kohn TD as a Director on a part time basis to be paid half in cash and half in fully paid Ordinary Shares, the number of such Ordinary Shares to be calculated on a 30 day moving average of the closing mid-market quotation on AIM prior to the due date of each payment; and
  - d. in consideration for the provision of the services as Eric Kohn TD as a Director the following Ordinary Shares in the following circumstances:
    - i. 2,000,000 Ordinary Shares if the price of the Ordinary Shares reaches 6 pence per Ordinary Shares calculated on a 30 day moving average of the closing mid-market quotation on AIM;
    - ii. 2,000,000 further Ordinary Shares if the price of the Ordinary Shares reaches 10 pence per Ordinary Shares calculated on a 30 day moving average of the closing mid-market quotation on AIM; and
    - iii. 2,000,000 further Ordinary Shares if the price of the Ordinary Shares reaches 15 pence per Ordinary Shares calculated on a 30 day moving average of the closing mid-market quotation on AIM;
- (d) \$5,000,000 zero coupon convertible unsecured loan notes (the “Existing Loan Notes”) dated 15 December 2009 held by HAVL and BlackRock World Mining Trust plc with the following principle terms:
- a. convertible into 22,296,544 Ordinary Shares (representing 36.1 per cent. of the post conversion issued share capital at the time of issue) at an effective 15p per Ordinary Share;
  - b. convertible at the holder’s discretion or the Company’s discretion into Ordinary Shares at any time following the passing of a special resolution of Noventa to approve the issue of the new Ordinary Shares arising on conversion of the Existing Loan Notes. To date no such resolution has been passed and such a resolution failed at the Company’s last annual general meeting;
  - c. the holder may require some or all of the Existing Loan Notes to be repaid in the event of an issue by the Company of new Ordinary Shares for cash on the basis that the entire proceeds are immediately applied by the holder in subscribing for its entitlement to such new Ordinary Shares;
  - d. if the Existing Loan Notes are not converted, the principal amount is repayable on 31 December 2020; and
  - e. no interest shall be payable by the Company in respect of the Existing Loan Notes;
- (e) £400,000 zero coupon convertible unsecured loan notes of £1.00 (the “Loan Notes”) dated 23 September 2009 issued the Loan Note Holders with the following principle terms:
- a. convertible into 10,000,000 Ordinary Shares at a conversion rate of one Ordinary Share in respect of each £0.04 principal amount of Loan Notes;
  - b. convertible at any time, following the passing of the Resolutions, on service of a notice in writing from either the Company on the Loan Note Holders or from the Loan Note Holders on the Company; and
  - c. unless converted, the Company shall repay the outstanding principle amount to the Loan Notes on 31 December 2020;

- (f) warrant instruments entered into by (1) the Company and (2) the Loan Note Holders issued in connection with the Loan Notes and the Conditional Placing Shares dated 23 September 2009 pursuant to which the Company has issued Warrants allowing the holders of the Warrants to subscribe for 1 Ordinary Share for every two New Ordinary Shares held at a price of 18 pence for a period of 18 months from the date of the EGM;
- (g) the Placing and Open Offer Agreement entered into between (1) the Company, (2) the Directors, (3) Blomfield and (4) RHH dated 24 September 2009 pursuant to which RHH has conditionally agreed, as agent for the Company, to procure placees for the Placing Shares and Blomfield has conditionally agreed, as agent for the Company, to provide nominated adviser services to the Company in connection with the Placing and Open Offer. Under the Placing Agreement:
  - a. conditional on the Placing and Open Offer, the Company has agreed to pay to Blomfield:
    - i. pay a fee not in excess of £15,000 and disbursements to Salans LLP, the solicitors to Blomfield and RHH, in relation to the advice given in respect of the Placing and Open Offer;
  - b. conditional upon the Placing and Open Offer, the Company has agreed to pay to RHH a commission of 10 per cent. of the sum equal to the aggregate number of Placing Shares placed with Placees multiplied by the Offer Price per Ordinary Share together with any related value added tax chargeable on such commission, and a commission of 1 per cent. of the sum equal to the aggregate number of Offer Shares subscribed for by Shareholders multiplied by the Offer Price per Ordinary Share together with any related value added tax chargeable on such commission;
  - c. the Company has agreed to pay all other costs and expenses of the Placing and Open Offer and related arrangements together with VAT on all such costs and expenses; and
  - d. the Company and the Directors have given certain customary warranties and indemnities as to the accuracy of the information in this document and as to other matters in relation to the Company and its business;
- (h) a letter of engagement between (1) Blomfield and (2) the Company dated 11 August 2009 pursuant to which Blomfield agreed to act as financial adviser to the Company in return for the Company agreeing to do the following:
  - a. pay to Blomfield a total corporate finance fee of £50,000 (plus VAT) payable in three tranches; (i) an initial fee of £10,000 payable on the signing of the engagement letter; (ii) £10,000 payable on the posting of this document and (iii) £30,000 on the successful completion of the Placing and Open Offer;
  - b. issue the Blomfield Warrants to Blomfield; and
  - c. reimburse Blomfield for its reasonable out of pocket expenses; and
- (i) a letter of engagement between (1) RHH and (2) the Company dated 11 August 2009 pursuant to which RHH agreed to act as the Company's broker in consideration for the following:
  - a. the payment by the Company of a broking commission equal to 10 per cent. of the aggregate value of the New Ordinary Shares placed by RHH pursuant to the Placing;
  - b. the payment by the Company of a broking commission equal to 1 per cent. of the aggregate value of the New Ordinary Shares placed pursuant to the Placing with Placees not sourced by RHH;
  - c. the Company agreeing to reimburse RHH for all usual costs, charges and other out of pocket expenses reasonably incurred by RHH in connection with the Placing;

- (j) a nominated adviser agreement between (1) the Company, (2) the Directors and (3) Blomfield dated 30 July 2009, pursuant to which the Company appointed Blomfield to act as nominated adviser to the Company under the AIM Rules. The nominated adviser agreement is terminable by either party on three months' written notice. Blomfield is entitled to receive £33,000 pa for its services as nominated adviser to the Company. The nominated adviser agreement contains an indemnity given by the Company to Blomfield and provides, among other things, that the Company and the Directors undertake to comply with the AIM Rules;
- (k) a broker agreement between (1) the Company, (2) the Directors and (3) RHH, pursuant to which the Company appointed RHH as broker to the Company. The broker agreement is terminable by three months' notice in writing. RHH is entitled to receive £17,000 pa for its services as broker to the Company. The broker agreement contains an indemnity given by the Company to RHH and provides, among other things, that the Company and the Directors undertake to comply with the AIM Rules.

## **6. Money Laundering Regulations 2007**

### **6.1 *Holders of Application Forms***

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations, Capita Registrars may verify the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity").

The verification of identity requirements pursuant to the Money Laundering Regulations 2007 will apply to all applications. Verification of the identity of applicant(s) for Offer Shares may be required including by electronic means. If within a reasonable period of time following a request, for verification of identity, but in any event by 11.00 a.m. on 12 October 2009, the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant acceptance, in which event the money payable or paid in respect of the acceptance will be returned (without interest and at the applicant's risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In order to avoid the operation of the provisions of the Money Laundering Regulations 2007 described above, payment should be made by means of a cheque drawn by and in the name of the applicant named on the enclosed Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares through the market prior to 3.00 p.m. on 8 October 2009), by the person named in Box 9 on the Application Form. If this is not practicable and the applicant uses a cheque drawn on a building society or a bankers' draft, the applicant should:

- (i) ask the building society or bank to endorse on the cheque or draft the name and account number of the person whose building society or bank account is being debited this must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorized signature by the building society or bank on the reverse of the cheque or bankers draft;
- (ii) if the applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or EU regulated person or institution (e.g. a bank or broker), and specify its status. If you have any queries then please contact Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may

apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Placing and Open Offer nor give any financial, legal or tax advice;

- (iii) if the applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driver's licence; and
- (iv) third party cheques will not be accepted unless covered by (i) or (ii) above.
- (v) In any event, if it appears to the Receiving Agent that an applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the applicant appears to be acting will be required.

Neither the Receiving Agent, RHH, Blomfield, nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification.

By lodging an Application Form, each Qualifying Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company, Blomfield and RHH, at such specified time thereafter as may be required to ensure compliance with the Money Laundering Regulations 2007.

## 6.2 *Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlements in CREST and apply for Offer Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## 7. **No public offering**

Noventa has not taken, nor will it take, any action in any jurisdiction that would permit a public offering of New Ordinary Shares in any jurisdiction where action for the purpose is required.

## 8. **Overseas Shareholders**

### (a) *General*

It is the responsibility of any Overseas Shareholder (including, without limitation, nominees, custodians and trustees) wishing to apply for Offer Shares under the Open Offer to satisfy himself as to full observance of the laws of any relevant territory in connection with such application, including obtaining any requisite governmental or other consent or approval, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. **Shareholders who are in any doubt as to their position should consult a professional adviser.**

No person receiving this document and/or an Application Form in any territory other than the UK may treat it as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be

made to him and such Application Form could lawfully be used by him without contravention of any registration or other regulatory or legal requirement. In such circumstances, the document and/or the Application Form are sent for information only are confidential and should not be copied or distributed.

The Company reserves the right to treat as invalid any application or purported application for Offer Shares under the Open Offer made by or on behalf of a person outside the UK or if the Company is not given the relevant warranty set out in the Application Form or if it appears that the application may constitute a breach of such warranty or any relevant securities legislation. Notwithstanding any other statement in this document, the Company reserves the right to permit a Shareholder to take up Offer Shares under the Open Offer if the Company is satisfied in its sole and absolute discretion that such action would not result in contravention of any applicable legal or regulatory requirements.

(b) ***United States***

The New Ordinary Shares have not been and will not be registered under the Securities Act or under any securities law of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from or not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Issuer is offering the New Ordinary Shares only outside the United States in offshore transactions within the meaning of and in reliance upon Regulation S under the Securities Act. Application Forms are not being sent to any Shareholder with a registered address in the United States.

The New Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

(c) ***Canada***

Neither this document, the Application Form nor the Offer Shares have been or will be qualified for sale under the securities law of any province or territory of Canada and the relevant exemptions are not being obtained from the Securities Commission of any province or territory of Canada. Except in a transaction which is exempt from the registration requirements of such laws, the Offer Shares may not be, directly or indirectly, offered, sold, taken up or delivered in Canada, or to or for the benefit of a person located in or a resident of Canada. Application Forms are not being sent to any Shareholder with a registered address in Canada or who is known or believed by the Company to be located in or a resident of Canada, unless such Shareholder satisfies the Company (in its sole discretion) that an allotment is permitted under an exemption from the securities laws referred to above. If an Application Form is received by any Shareholder whose registered address is elsewhere but who is in fact located in or a resident of Canada, he or she should not seek to take up his or her allocation.

(d) ***Australia***

Neither this document nor the Application Form nor the Offer Shares will be lodged or registered with the Australian Securities and Investments Commission under Australia's Corporations Law and Offer Shares are not being offered for subscription or sale and may not be offered, sold or delivered in or into Australia or for the account or benefit of any person or corporation in Australia. No Application Form will be sent to any person or corporation in Australia, including any Shareholder with a registered address in Australia. This document is being sent to such Shareholders for information purposes only and does not constitute an offer or invitation to apply for Offer Shares. Payment under an Application Form will constitute a representation or warranty that the person entitled to the same has not received, sent or forwarded the Application Form in or into Australia or to any person or corporation in Australia, and is not subscribing for any of the

Offer Shares for the account or benefit of any person or corporation in Australia or with a view to their offer, sale or delivery directly or indirectly in or into Australia or to or for the account of any person or corporation in Australia.

(e) ***Japan***

The relevant clearances have not been, and will not be, obtained from the Ministry of Finance of Japan, no document in relation to the Open Offer has been or will be lodged with or registered by the Ministry of Finance of Japan and no steps have been taken to enable the Offer Shares to be offered, sold, accepted, or otherwise delivered in Japan, its territories and possessions and any areas subject to its jurisdiction (“Japan”) in compliance with applicable laws of Japan. The Offer Shares may not therefore be offered, sold or accepted or otherwise delivered directly, or indirectly, in or into Japan. Accordingly, Application Forms are not being sent to Overseas Shareholders who have registered addresses in Japan. This document is being sent to such Shareholders for information purposes only and does not constitute an offer or invitation to apply for Offer Shares.

(f) ***South Africa***

In South Africa, the offer of the Offer Shares is a non-renounceable offer for the subscription of shares to existing shareholders of the Company within the meaning of section 144(d) of the Companies Act, 1973. This document does not constitute an offer or invitation to apply for Offer Shares to any person resident in South Africa other than existing Shareholders of the Company and no Application Forms will be accepted from any such person.

## **9. Withdrawal Rights**

Qualifying Shareholders wishing to exercise statutory withdrawal rights after publication by the Company of a circular supplementing this document must do so by lodging a written notice of withdrawal, which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST member, with **Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU**, so as to be received no later than two business days after the date on which the supplementary circular is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of its subscription in full and the allotment of Offer Shares to such Qualifying Shareholder becoming unconditional. In such event, Qualifying Shareholders are advised to seek independent legal advice.

## **10. Taxation**

The attention of Shareholders is drawn to the advice on Jersey taxation received by the Company set out in paragraph 8 of Part I of this document.

**If you are in any doubt about your tax position, you should consult your independent professional adviser immediately.**

## **11. Further information**

The attention of Shareholders is drawn to the further information set out in this document including the letter from the Chairman of the Company set out in Part I of this document, the Risk Factors set out in Part II of this document and the Notice set out at the end of this document and to the terms and conditions set out on the Application Form.

# NOVENTA LIMITED

*(Incorporated under the Companies (Jersey) Law 1991 (as amended) with Registered Number 95036)*

## NOTICE OF EXTRAORDINARY GENERAL MEETING (the "Notice")

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the offices of Carey Olsen of 47 Esplanade, St Helier, Jersey JE1 0BD at 11am on 14 October 2009 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 Resolutions 2 and 3 will be proposed as special resolutions:

### RESOLUTIONS

**Terms not otherwise defined in this Notice and in the Resolutions shall have the same meaning as given to them in the circular dated 24 September 2009 to which this Notice is attached.**

#### Ordinary Resolution

1. **THAT** subject to and conditional on resolutions 2 and 3 (inclusive) below being passed, the directors be generally and unconditionally authorised in accordance with Article 4(1) of the articles of association of the Company (the "**Articles**") to exercise all or any of the powers of the Company pursuant to the Articles to allot, grant options over or otherwise dispose of relevant securities (as that term is defined in the Articles) up to an aggregate nominal amount of £86,661.52 being 216,653,800 Ordinary Shares for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of 15 months of the passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2010, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors of the Company may allot equity securities pursuant to such offer or agreement as if the authority conferred on them hereby had not expired.

#### Special Resolutions

2. **THAT** the authorised share capital of the Company be increased to £500,000 divided into 1,250,000,000 ordinary shares of £0.0004 each by deleting article 2 of the Company's memorandum and replacing it in its entirety with:  
"The share capital of the Company is £500,000 divided into 1,250,000,000 shares of **£0.0004** each."
3. **THAT** the directors be generally and conditionally authorised, in accordance with Article 4(2) of the Articles, to allot, grant options over or otherwise dispose of equity securities (as that term is defined in the Articles) wholly for cash pursuant to the authority conferred in resolution 1 as if the pre-emption provisions of Article 4(2) of the Articles did not apply to the allotment, provided that this power:
  - (a) shall expire on the earlier of 15 months from the passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2010, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities pursuant to such offer or agreement as if the authority conferred on them hereby had not expired,
  - (b) shall be limited to any of the following circumstances:
    - (i) to the allotment of equity securities in connection with a rights issue, open offer (which shall not, for these purposes, include the Placing and Open Offer) or pre-emptive offer to holders on the register of the ordinary shares of the Company on a date fixed by the directors where the equity securities respectively attributable to the interests of all those shareholders are proportionate (as nearly as practicable) to the respective numbers of ordinary shares held by them on that date but the directors of the Company may make such exclusions or other arrangements as they consider expedient in relation to fractional entitlements, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange;
    - (ii) up to 10,845,532 equity securities which may be required to be allotted in connection with the Company's employee share option scheme;
    - (iii) up to 1,000,000 equity securities which may be required to be allotted by the Company in connection with the Blomfield Warrants;
    - (iv) up to 10,000,000 equity securities which may be required to be allotted by the Company in connection with the Loan Notes;
    - (v) up to 8,750,000 equity securities which may be required to be allotted in connection with the Conditional Placing Shares;
    - (vi) up to 76,499,388 equity securities which may be required to be allotted in connection with the conversion of the Existing Loan Notes;

- (vii) up to 500,000 equity securities which may be required to be allotted in connection with the Investors Union Shares;
- (viii) 53,058,533 equity securities in connection with the proposed Placing and Open Offer by the Company to certain persons pursuant to a placing and open offer agreement dated 24 September 2009; and
- (ix) to the allotment (other than under paragraph (b)(i) to (viii) above) of equity securities wholly for cash or otherwise up to an aggregate nominal amount not exceeding £20,000 being 50,000,000 Ordinary Shares on such terms and to such persons as the Board may determine such authority to allot being in addition to any authority given in the Articles or otherwise to allot equity securities without any rights of pre-emption.

*Registered Office:*

Third Floor  
Mielles House  
La Rue des Mielles  
St Helier  
Jersey  
JE2 3QD

*By Order of the Board*

Grange Corporate Services Limited  
*Secretary*

Dated: 24 September 2009

**Notes:**

- (a) In accordance with Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999 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 or vote at the EGM is at 11.00am on 14 October 2009. If the EGM is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. Changes to entries on the register after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (b) A member of the Company entitled to attend and vote at the EGM convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak, and on a poll, vote at that meeting on his behalf. A proxy need not be a member of the Company. Appointment of proxies does not preclude shareholders from attending and voting at the EGM should they wish to do so.
- (c) A proxy may only be appointed using the procedures set out in these notes and the enclosed proxy form. To appoint a proxy, a member must complete, sign and date the enclosed proxy form and deposit it at the office of Capita Registrars Limited, Proxy Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the EGM or any adjourned meeting at which the proxy is to vote. The form of proxy must be completed under the hand of the appointor or his duly authorized attorney. In the case of a member which is a company, the proxy form must be executed under its common seal or under the hand of an officer or attorney so authorised. Any power of attorney or any other authority under which the proxy form is signed (or a notarially certified copy of such power of attorney or authority) must be enclosed with the proxy form.
- (d) CREST members who wish to appoint a proxy or proxies or to give an instruction to a proxy (whether previously appointed or otherwise) by utilising the CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) thereof, by utilising the procedures described in the CREST Manual. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted via the CREST system so as to be received by Capita Registrars Limited (whose CREST ID is RA10) by the latest time for receipt of proxy appointments specified in note (c) above. 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.
- (e) A proxy does not need to be a member of the Company but must attend the EGM to represent you. Details of how to appoint the Chairman of the EGM or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the EGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- (f) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by you on the record date will result in the proxy appointment being invalid. To appoint more than one proxy, please contact Capita Registrars Limited.
- (g) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given in the proxy form, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the EGM.
- (h) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- (i) To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Any amended proxy appointment received after the time for holding the EGM or any adjourned meeting will be disregarded.  
Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars Limited.  
If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (j) In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars Limited. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Capita Registrars Limited no later than the commencement of the EGM or adjourned meeting at which the vote is given or, in the case of a poll taken more than 48 hours after it is demanded, before the time appointed for taking the poll.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the EGM and voting in person. If you have appointed a proxy and attend the EGM in person, your proxy appointment will automatically be terminated.

