

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to immediately seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in a territory outside the United Kingdom.**

If you have sold or otherwise transferred all of your holding of ordinary shares of 0.005 pence each in the capital of Tri-Star Resources plc (the “**Company**”) (“**Ordinary Shares**”), please forward this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be distributed, forwarded to or transmitted in or into, any jurisdiction in which such act would constitute a violation of the relevant laws or regulations in such jurisdiction. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank manager or other agent through whom the sale or transfer was effected.

The Placing Shares are only available to qualified investors for the purposes of the Prospectus Directive or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. The Placing does 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 made by the Financial Conduct Authority of the United Kingdom (“**FCA**”) pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

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# Tri-Star Resources plc

*(Incorporated and registered in England and Wales with registered number 04863813)*

## **Variation and Proposed Part Conversion of Loan Notes**

**Proposed Placing of 7,452,901,067 new Ordinary Shares at  
0.121855 pence per share**

## **Proposed Redemption of Loan Notes**

**Proposed Approval of a Waiver of the Obligations under  
Rule 9 of the Takeover Code**

**and**

## **Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn in particular to the letter from the Non-Executive Chairman of the Company which is set out in Part 1 of this document which contains the unanimous recommendation of the board of directors of the Company (the “**Board**” or “**Directors**”) that you vote in favour of all of the Resolutions set out in the Notice of General Meeting referred to below.**

Strand Hanson Limited (“**Strand Hanson**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as independent financial adviser to the Company in connection with the Proposals described in this document. It will not regard any other person as its client and will not be responsible to anyone else for providing the protections afforded to its clients or for providing advice in relation to such Proposals, the contents of this document or any other matter referred to herein. Strand Hanson has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Strand Hanson for the accuracy of any information or opinions contained in this document or for the omission of any information.

S.P. Angel Corporate Finance LLP (“**SP Angel**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing and the proposed admission of the New Ordinary Shares to trading on AIM and the other Proposals described in this document. It will not regard any other person as its client and will not be responsible to anyone else for providing the protections afforded to its clients or for providing advice in relation to such Proposals, the contents of this document or any other matter referred to herein. SP Angel has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by SP Angel for the accuracy of any information or opinions contained in this document or for the omission of any information. SP Angel as nominated adviser to the Company owes certain responsibilities to the London Stock Exchange which are not owed to the Company, the Directors, Shareholders or any other person in respect of his decision to acquire Placing Shares in reliance on any part of this document.

**Notice of a General Meeting of the Company, to be held at the offices of Fladgate LLP at 16 Great Queen Street, London WC2B 5DG at 10.00 a.m. on 20 June 2017, is set out at the end of this document. To be valid, the accompanying Form of Proxy should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.00 a.m. on 16 June 2017. Completion and return of a Form of Proxy will not preclude members of the Company from attending and voting in person at the General Meeting should they so wish.**

The Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected, subject to, among other matters, the passing of the relevant Resolutions at the General Meeting, that Admission will become effective, and that dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 21 June 2017. The New Ordinary Shares will not be admitted to trading on any other investment exchange. The New Ordinary Shares will, on Admission, rank equally in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

**AIM 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. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) ("UKLA"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.** Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the UKLA.

This document is not for release, publication or distribution outside the United Kingdom except to the extent that it would be lawful to do so. The release, publication or distribution of this document (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, or from the United States of America, Canada, Australia, Japan or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Japan or the Republic of South Africa or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

Copies of this document are available free of charge at the Company's registered office during normal business hours on any Business Day and shall remain available for at least one month after Admission. In addition, a copy of this document will also be available free of charge from the Company's website at [www.tri-starresources.com/investors/aim-rule-26/](http://www.tri-starresources.com/investors/aim-rule-26/).

Neither the contents of the Company's website, nor any website directly or indirectly linked to the Company's website, are incorporated in, or form part of, this document.

This document contains (or may contain) certain forward-looking statements with respect to the Company and certain of its goals and expectations relating to its future financial condition and performance which involve a number of risks and uncertainties. No forward-looking statement is a guarantee of future performance and actual results could differ materially from those contained in any forward-looking statements. Such forward-looking statements may use words such as "aim", "anticipate", "target", "expect", "estimate", "plan", "goal", "believe", "will", "may", "should" and other words having a similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of changes in interest rates and foreign exchange rates, changes in legislation, changes in consumer habits and other factors outside the control of the Company, that may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements contained in this document are based upon information available to the Directors at the date of this document and the posting or receipt of the document does not give rise to any implication that there has been no change in the facts set out herein since that date.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2017</i>
Announcement of the Proposals	7.00 a.m. on 1 June
Publication and posting of this document and the Form of Proxy	1 June
Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	10.00 a.m. on 16 June
General Meeting	10.00 a.m. on 20 June
Admission effective and dealings in the New Ordinary Shares expected to commence	8.00 a.m. on 21 June
New Ordinary Shares expected to be credited to CREST members' accounts (where applicable)	21 June
Despatch of definitive share certificates for New Ordinary Shares in certificated form (where applicable)	week commencing 26 June

*Notes:*

*If any of the details contained in the timetable above should change, the revised times and/or dates will be notified by means of an announcement through a Regulatory Information Service.*

*Certain of the events in the above timetable are conditional upon, amongst other things, the approval of the Resolutions to be proposed at the General Meeting.*

*All references are to London time unless stated otherwise.*

## KEY STATISTICS

Number of Existing Ordinary Shares	8,472,686,593
Issue Price of the Conversion Shares, Placing Shares and Fee Shares	0.121855p
Number of Conversion Shares	3,613,884,866
Number of Placing Shares	7,452,901,067
Number of Fee Shares	102,580,936
Total number of New Ordinary Shares	11,169,366,869
Enlarged Share Capital	19,642,053,462
Conversion Shares as a percentage of the Enlarged Share Capital	18.4 per cent.
Placing Shares as a percentage of the Enlarged Share Capital	37.9 per cent.
New Ordinary Shares as a percentage of the Enlarged Share Capital	56.9 per cent.
Number of SP Angel Warrants	24,465,968
Market Capitalisation of the Company at the Issue Price on Admission	c. £23.9 million
Estimated gross proceeds of the Placing	c. £9.1 million
Estimated proceeds of the Placing (net of expenses)	c. £8.8 million

## DEFINITIONS

The following definitions apply throughout this document and in the accompanying Notice of General Meeting and Form of Proxy, unless the context requires otherwise:

<b>"Admission"</b>	admission of the New Ordinary Shares to trading on AIM in accordance with the AIM Rules for Companies;
<b>"AIM"</b>	the AIM market operated by London Stock Exchange;
<b>"AIM Rules for Companies"</b>	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time;
<b>"Board" or "Directors"</b>	the directors of the Company as at the date of this document whose names are set out on page 10 of this document;
<b>"Business Day"</b>	a day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for general commercial business;
<b>"CA 2006"</b>	the UK Companies Act 2006 (as amended);
<b>"certificated" or "certificated form"</b>	a share or other security which is not in uncertificated form (that is, not in CREST);
<b>"Company" or "Tri-Star"</b>	Tri-Star Resources PLC (registered in England with registration number 04863813) with its registered office at Suite 31, Second Floor, 107 Cheapside, London EC2V 6DN;
<b>"Capita Asset Services"</b>	a trading name of Capita Registrars Limited, whose registered office is at The Registry, 34 Beckenham Road, Kent, BR3 4TU, being Tri-Star's registrar;
<b>"Conversion"</b>	the conditional conversion of £4,403,699.40 of the outstanding balance of the Loan Notes into the Conversion Shares at the Issue Price;
<b>"Conversion Shares"</b>	3,613,884,866 new Ordinary Shares;
<b>"CREST"</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations);
<b>"CREST Manual"</b>	the manual, as amended from time to time, produced by Euroclear and available at <a href="http://www.euroclear.com">www.euroclear.com</a> ;
<b>"CREST member"</b>	a person who has been admitted to CREST as a system member (as defined in the CREST Manual);
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;
<b>"CREST Sponsor"</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>"CREST sponsored member"</b>	a CREST member admitted to CREST as a sponsored member;

<b>“Daily Official List”</b>	the Daily Official List published by the London Stock Exchange;
<b>“Enlarged Share Capital”</b>	the entire issued Ordinary Share capital of the Company following the issue of the New Ordinary Shares;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Existing Ordinary Shares”</b>	the 8,472,686,593 Ordinary Shares in issue as at the date of this document;
<b>“FCA”</b>	the Financial Conduct Authority of the UK;
<b>“Fee Shares”</b>	the Strand Hanson Fee Shares and the OAM Fee Shares;
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting enclosed with this document;
<b>“FSMA”</b>	the UK’s Financial Services and Markets Act 2000 (as amended) including any regulations made pursuant thereto;
<b>“General Meeting”</b>	the General Meeting of the Company, convened for 10.00 a.m. on 20 June 2017, or any adjournment thereof, notice of which is set out at the end of this document;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Issue Price”</b>	0.121855 pence per New Ordinary Share;
<b>“Loan Notes”</b>	the convertible loan notes issued by the Company pursuant to an instrument dated 19 June 2013 (as subsequently restated and amended) as currently held by the Odey Funds;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“New Ordinary Shares”</b>	the Placing Shares, the Conversion Shares and the Fee Shares;
<b>“Notice of General Meeting”</b>	the formal notice convening the General Meeting as set out in this document;
<b>“OAM”</b>	Odey Asset Management LLP (registered in England & Wales with registration number OC302585) with its registered office at 12 Upper Grosvenor Street, London W1K 2ND;
<b>“OAM Fee Shares”</b>	the 82,064,749 new Ordinary Shares to be issued to OAM (or to any person or entity as it directs) on Admission;
<b>“OAR”</b>	the Oman Antimony Roaster Project in Sohar, Oman being developed by SPMP;
<b>“Odey Entities”</b>	OAM, OEI, Swan and OMI collectively;
<b>“Odey Funds”</b>	OEI and OMI collectively;

<b>“OEI”</b>	Odey European Inc. (registered in the Cayman Islands with registration number CR-114227) whose registered office is at Landmark Square, West Bay Road, PO Box 775, Grand Cayman, KY1-9006;
<b>“OMI”</b>	OEI MAC Inc. (registered in the Cayman Islands with registration number CR-114226) whose registered office is at Landmark Square, West Bay Road, PO Box 775, Grand Cayman, KY1-9006;
<b>“Ordinary Shares”</b>	ordinary shares of 0.005p each in the capital of the Company from time to time;
<b>“Panel” or “Takeover Panel”</b>	the Panel on Takeovers and Mergers;
<b>“PEAL”</b>	PE Advisors Ltd, a consultant to OAM;
<b>“Pence” or “p”</b>	UK pence sterling, the lawful currency of the United Kingdom;
<b>“Placees”</b>	subscribers for the Placing Shares;
<b>“Placing”</b>	the proposed conditional placing of the Placing Shares at the Issue Price, the details of which are set out in this document;
<b>“Placing Agreement”</b>	the agreement entered into between the Company and SP Angel in respect of the Placing, dated 1 June 2017, as described in paragraph 4 of Part 1 of this document;
<b>“Placing Shares”</b>	the 7,452,901,067 new Ordinary Shares to be issued by the Company pursuant to the Placing subject to the satisfaction of the relevant conditions;
<b>“Pounds” or “£”</b>	UK pounds sterling, the lawful currency of the United Kingdom;
<b>“Proposals”</b>	together, the Conversion, the Placing and the waiver of the Odey Entities’ obligations under Rule 9 of the Takeover Code;
<b>“Prospectus Rules”</b>	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market;
<b>“Regulatory Information Service”</b>	has the meaning given in the AIM Rules for Companies;
<b>“Relationship Agreement”</b>	the conditional agreement dated 1 June 2017 between the Company, SP Angel, Swan and the Odey Funds as more particularly described in paragraph 6 of Part 1 of this document;
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting at the end of this document;
<b>“Shareholder(s)”</b>	a person(s) who is/are registered as a holder(s) of Ordinary Shares from time to time;
<b>“SP Angel”</b>	S.P. Angel Corporate Finance LLP, the Company’s nominated adviser and broker;

<b>“SP Angel Warrants”</b>	the warrants to subscribe for 24,465,968 Ordinary Shares to be issued to SP Angel conditional on Admission;
<b>“SPMP”</b>	Strategic & Precious Metals Processing LLC registered in the Sohar Free Zone in the Sultanate of Oman with number 1199095 whose principal place of business is at PO Box 329, Postal Code 115, Madinat Al Sultan Qaboos, Sultanate of Oman;
<b>“Strand Hanson”</b>	Strand Hanson Limited, the Company’s independent financial adviser;
<b>“Strand Hanson Fee Shares”</b>	the 20,516,187 new Ordinary Shares to be issued to Strand Hanson on Admission;
<b>“Swan”</b>	Odey Swan Fund, a sub-fund of Odey Investments plc, an open-ended umbrella type investment company with segregated liability between its various sub-funds and incorporated with limited liability under the laws of Ireland with registered number 501534 and its registered office at 33 Sir John Rogerson’s Quay, Dublin 2, Ireland;
<b>“subsidiary”</b>	a subsidiary of the Company as that term is defined in section 1159 and schedule 6 of the CA 2006;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers, issued by the Panel;
<b>“UKLA”</b>	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part V of FSMA;
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
<b>“United States”, “United States of America” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction;
<b>“Variation”</b>	the variation of the terms of the Loan Notes so as to reduce the conversion price from 0.20 pence to 0.121855 pence per share and to permit conditional exercise of conversion rights; and
<b>“Whitewash Resolution”</b>	the ordinary resolution to approve the Panel’s waiver of the Odey Entities’ obligation to make an offer under Rule 9 of the Takeover Code on allotment and issue to them of the Placing Shares and the OAM Fee Shares, which is set out at Resolution 1 of the Notice of General Meeting, and is required to be passed on a poll at the General Meeting.

## PART 1

### LETTER FROM THE NON-EXECUTIVE CHAIRMAN

# Tri-Star Resources plc

*(Incorporated and registered in England and Wales with registered number 04863813)*

*Directors:*

Mark Wellesley-Wood (*Non-Executive Chairman*)

Emin Eyi (*Non-Executive Deputy Chairman*)

Guy Eastaugh (*Chief Executive Officer*)

Adrian Collins (*Non-Executive Director*)

Jonathan Quirk (*Non-Executive Director*)

*Registered office:*

Suite 31, Second Floor

107 Cheapside

London

EC2V 6DN

1 June 2017

*To Shareholders and, for information purposes only, the holders of options or warrants over Ordinary Shares*

Dear Shareholder

#### **Variation and Proposed Part Conversion of Loan Notes**

**Proposed Placing of 7,452,901,067 new Ordinary Shares at 0.121855 pence per share**

**Proposed Redemption of Loan Notes**

**Proposed Approval of a Waiver of the Obligations under Rule 9 of the Takeover Code  
and**

**Notice of General Meeting**

#### **1. Introduction**

Your Board today announced a number of important and necessary developments to restructure the Company's balance sheet and raise additional working capital, further to discussions with the holders of the outstanding Loan Notes. All of the outstanding Loan Notes are currently held by two funds, Odey European Inc. and OEI MAC Inc. (the "**Odey Funds**") under the discretionary management of Odey Asset Management LLP ("**OAM**") (together with Odey Swan Fund ("**Swan**"), the "**Odey Entities**"), which have provided considerable debt funding and support to the Company over the course of the last four years. In summary, it was announced that the Company has:

- varied the terms of all of the outstanding Loan Notes so as to reduce the conversion price from 0.20 pence to 0.121855 pence per share and to permit conditional exercise of conversion rights, such unconditional Variation being a pre-requisite to the Odey Funds consenting to the Proposals;
- received notice from the Odey Funds of the conditional exercise, at the varied conversion price, of their conversion rights over such amount of their holding of Loan Notes that would result in the Odey Funds being issued, in aggregate, with 3,613,884,866 new Ordinary Shares, representing approximately 29.9 per cent. of the Company's issued share capital as enlarged by the issue of such Conversion Shares; and
- conditionally, raised approximately £9.1 million (gross) by way of a placing of 7,452,901,067 new Ordinary Shares. The net proceeds of the Placing of approximately £8.8 million to be applied as follows:
  - approximately £7.8 million to redeem the balance of the Loan Notes remaining following the above mentioned Conversion; and
  - the balance of approximately £1.0 million for the Group's general working capital purposes.

It was also announced that the Odey Funds and Swan have subscribed for, in aggregate, approximately £8.5 million worth of Ordinary Shares of the £9.1 million (gross) raised pursuant to the Placing.

The Conversion is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting. Upon completion of the Conversion and the Placing, the Odey Entities will hold, in aggregate, 10,659,531,331 new Ordinary Shares representing approximately 54.27 per cent. of the Enlarged Share Capital (including the OAM Fee Shares), being an amount that, in the absence of a waiver of the obligations under Rule 9 of the Takeover Code, would require the Odey Entities to make a general offer to Shareholders. As is customary, the Panel has agreed to grant a waiver of such obligation provided the Whitewash Resolution (Resolution 1) is approved at the General Meeting on a poll by Shareholders holding more than 50 per cent. of the Existing Ordinary Shares.

In addition, OAM, on behalf of the Odey Funds, has, on the condition that the Resolutions are passed and the Proposals are completed, agreed to waive interest due on the Loan Notes for the period from 1 April 2017 up to and including the date of the General Meeting in order to facilitate negotiation, documentation and implementation of the Variation and the Proposals. However, should the Resolutions not be passed by Shareholders at the General Meeting and the Proposals not be implemented, OAM (on behalf of the Odey Funds) reserves the right to add back all the accrued outstanding interest on the Loan Notes.

The purpose of this document is therefore to set out the details of, and reasons for, the Variation and the Proposals; to explain why the Directors believe that they are in the best interests of the Company and its Shareholders as a whole; to provide further detail in relation to the Whitewash Resolution and the implications for Shareholders of the obligations under Rule 9 of the Takeover Code being waived; and to unanimously recommend that Shareholders vote in favour of all of the Resolutions to be proposed at the forthcoming General Meeting.

**Without such a restructuring, the Board believes that there is a material risk that the Company would fail to retain the support of the Odey Entities and also fail to attract the further capital that will be needed to meet the Company's share of joint venture company SPMP's future additional funding requirements. Tri-Star has a 40 per cent. equity interest in SPMP which is the Company's principal asset.**

**Furthermore, the Odey Funds are entitled to call for redemption of such proportion of the Loan Notes that remain outstanding following a conversion which results in the Odey Funds holding 29.9 per cent. of the then enlarged share capital of the Company. The Company currently has insufficient cash reserves to fund any such redemption request.**

## **2. Variation and Proposed Part Conversion of the Loan Notes**

In June and September 2013, the Company issued, in aggregate, £4.0 million principal amount of Loan Notes to OEI and further tranches of Loan Notes were issued in August 2014 (£2.0 million) and August 2015 (£2.0 million) with the terms of such Loan Notes being amended in September 2015. All of the Loan Notes are currently held by the Odey Funds which are under the discretionary management of OAM. The proceeds from the issue of the Loan Notes were utilised to satisfy part of the Company's share of the funding obligations in respect of the development of the OAR held by SPMP as well as for other general corporate purposes.

The rate of interest accruing on the Loan Notes is a non-cash coupon of 15 per cent. per annum, calculated on a daily basis, and compounding half yearly. As referred to above, OAM, on behalf of the Odey Funds, has, on the condition that the Resolutions are passed and the Proposals are completed, agreed to waive interest due on the Loan Notes for the period from 1 April 2017 up to and including the date of the General Meeting in order to facilitate negotiation, documentation and implementation of the Variation and the Proposals. However, should the Resolutions not be passed by Shareholders at the General Meeting and the Proposals not be implemented, OAM (on behalf of the Odey Funds)

reserves the right to add back all the accrued outstanding interest on the Loan Notes. The approximate aggregate amount currently outstanding under the Loan Notes including accrued interest up to and including 31 March 2017 is £12.185 million. The Odey Funds have the right to serve a conversion notice at any time prior to the scheduled maturity of the Loan Notes on 19 June 2018.

Under the terms of the Loan Notes, the Odey Funds currently have the right to convert all or part of their holding into Ordinary Shares. If the Odey Funds issue a conversion notice and the full conversion of the notes under such notice would result in the Odey Funds holding more than 29.9 per cent. of the Company's then enlarged voting share capital, the Company may allot and issue such shares to the extent the holding of the Odey Funds does not exceed 29.9 per cent. of the then enlarged share capital of the Company. In respect of the portion of the Loan Notes which are the subject of a conversion notice, but are not converted, the Odey Funds have the option of either continuing to hold those notes or, at the Odey Funds' election, to have those notes redeemed for cash by the Company.

**The Company currently has insufficient cash reserves to fund any such redemption request.**

In order to ensure the continuing support of the Odey Entities, the Company agreed with the Odey Funds to amend the existing terms of the Loan Notes to:

- vary the conversion price downwards from 0.20p per share to 0.121855p per Ordinary Share (which is equal to the Issue Price), representing a discount of approximately 24 per cent. to the Company's closing mid-market share price of 0.16p on 31 May 2017 being the last Business Day immediately prior to the announcement of the Proposals; and
- to allow for the exercise of conversion rights to be conditional.

This unconditional Variation was a pre-requisite to the Odey Funds consenting to the Proposals, including the injection of additional capital into the Company pursuant to the Placing. Conditional upon the conditions to the Placing (save for the condition relating to Admission) being satisfied or waived, the Odey Funds have given notice to the Company that they wish to convert £4,403,699.40 of the Loan Notes at the Issue Price into the Conversion Shares.

### **3. Details of the Placing**

SP Angel, as placing agent for the Company, has conditionally placed the Placing Shares at the Issue Price with the Odey Funds, Swan (a fund under the discretionary management control of OAM) and certain other investors to raise approximately £9.1 million before expenses. The Odey Funds and Swan have agreed to subscribe for, in aggregate, 6,963,581,716 of the Placing Shares at the Issue Price raising approximately £8.5 million whilst certain other investors have agreed to subscribe for, in aggregate, the remaining 489,319,351 Placing Shares at the Issue Price raising approximately £0.6 million. The Placing Shares will represent approximately 37.9 per cent. of the Enlarged Share Capital.

The net proceeds of the Placing are to be applied to redeem the balance of the Loan Notes outstanding following the Conversion in order to strengthen the Company's balance sheet with the remainder to be utilised for the Company's general working capital purposes.

**Accordingly, on completion of the Proposals, the Odey Entities will, in aggregate, hold approximately 54.27 per cent. of the Enlarged Share Capital (including the OAM Fee Shares).**

### **4. Principal terms of the Placing, issue of the Fee Shares and Admission**

The Placing is conditional, among other things, upon:

- the Panel's waiver of the Odey Entities' obligation to make an offer under Rule 9 of the Takeover Code on allotment and issue to them of the Placing Shares and the OAM Fee Shares;
- the passing of the Resolutions;

- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission of the Placing Shares and Conversion Shares to trading on AIM becoming effective by not later than 8.00 a.m. on 21 June 2017 (or such later time and/or date (not being later than 31 July 2017) as SP Angel and the Company may agree).

Accordingly, if such conditions are not satisfied, or, as applicable, waived, the Placing and Conversion will not proceed.

In addition, as part of its engagement terms with the Company, Strand Hanson will be issued 20,516,187 Ordinary Shares on completion in lieu of part of its fee for advising the Company in connection with the Proposals. The Company has also agreed that OAM will be separately issued 82,064,749 Ordinary Shares on completion as part settlement of an arrangement fee in recognition of the professional advisory costs that OAM has incurred in connection with the renegotiation and restructuring of the Loan Notes.

Furthermore, as part of its engagement terms with the Company, on Admission SP Angel will be issued warrants to subscribe for 24,465,968 Ordinary Shares in lieu of part of its fee for advising the Company in connection with the Placing. The warrants will be exercisable at the Issue Price per new Ordinary Share for a period of four years from the date of grant and ending on the fourth anniversary of grant.

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

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM and such admission is expected to become effective on 21 June 2017. It is expected that CREST accounts will be credited on the day of Admission as regards the Placing Shares in uncertificated form and that certificates for Placing Shares to be issued in certificated form will be dispatched by first class post the week commencing 26 June 2017.

The Placing Agreement contains certain warranties and indemnities given by the Company in favour of SP Angel as to certain matters relating to the Company and its business. The obligations of SP Angel under the Placing Agreement may be terminated in certain circumstances if there occurs either a material breach of any of the warranties or if a materially adverse event occurs at any time prior to Admission. Such rights exist in the event that such circumstances arise prior to Admission. If the conditions in the Placing Agreement are not fulfilled on or before the relevant date in the Placing Agreement then the subscription monies will be returned to Placees without interest.

The Placing Agreement also provides for the Company to pay SP Angel a corporate finance fee, commissions and certain other costs and expenses incidental to the Placing and Admission.

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

The Company's most recent financial results for the year ended 31 December 2016 were announced on 10 March 2017 and the Company's Annual Report and Financial Statements were posted to shareholders on 15 March 2017.

Since the start of 2017, the antimony market has risen significantly, driven by concerns over the availability of antimony from China, the world's largest producer. Such concerns were recently heightened following environmental inspections on numerous antimony blast furnace facilities in a twelve-month inspection programme that commenced in April 2017, which has already resulted in approximately 50 per cent. of certain plant capacity in China being shut or suspended for non-compliance.

Tri-Star's principal asset and focus of activities is its 40 per cent. interest in SPMP. SPMP is an Omani company developing the OAR. Construction of the OAR has commenced on site and the first items of major equipment will start to arrive during June 2017. Photographs showing the project's progress have recently been uploaded to the Company's website and are available to view at [www.tri-starresources.com](http://www.tri-starresources.com).

As reported in the Company's 2016 results announcement on 10 March 2017, test-work has been continuing and this has been completed for process issues. Initial independent test reports have confirmed good recoveries of antimony and gold from the test process and good quality of end product. Testing has also been extended to prepare for operational readiness. As a result of these tests, it has been necessary to change some casting equipment specifications and the lining of the casting kettles has had to be modified in the interests of preserving the product quality of the finished antimony ingot.

These final plant design changes and revised operational readiness considerations are expected to move commissioning and first antimony metal into Q1 2018. Meanwhile, SPMP's discussions with end customers and contracting for feedstock supply are well advanced and SPMP is expecting to conclude negotiations to address its feedstock requirements for 2018 in the coming months.

As at 31 May 2017, being the latest practicable date prior to publication of this document, the Company held cash balances of approximately £192,000. Accordingly, if the Proposals are not approved by Shareholders, or for whatever reason are not implemented, the Company will need to secure additional working capital within two months.

The Directors understand that the issue of the New Ordinary Shares arising on completion of the Conversion and Placing will have a substantial dilutive effect on the holdings of Shareholders. The Directors, however, consider the Proposals to be in the best interests of the Company and its Shareholders as a whole since the Proposals remove the risk of the Odey Funds exerting their right to require the redemption, in cash, of the balance of the Loan Notes remaining after the Conversion. The Proposals will also result in the restructuring and strengthening of the Company's balance sheet which the Directors believe will enhance the Company's ability to raise additional capital in the short term to satisfy expected significant additional funding requests from SPMP in respect of completing the development of the OAR during the remainder of 2017.

The Directors consider that the possibility of the Company being able to raise approximately £7.8 million to redeem the balance of the Loan Notes remaining post Conversion at short notice would be extremely challenging and that the best outcome for the Company and its Shareholders in such circumstances will be achieved by the completion of the Proposals.

Assuming completion of the Proposals, the Directors believe that the Company's prospects will be enhanced as the Proposals so enacted will, *inter alia*, result in the orderly elimination of the Company's existing indebtedness, the removal of the current uncertainty with respect to the timing and consequences of the Loan Notes' conversion and redemption, provide the requisite additional working capital and secure the introduction of the Odey Funds as majority shareholders in the business.

**If the Proposals are not approved by Shareholders at the General Meeting and are not implemented, the Directors would immediately have to seek alternative sources of potential funding which may or may not be obtainable on similar commercial terms or secured on a timely basis, or at all. If such alternative sources of potential funding are not found to be available, the Directors believe it is highly likely that the Company would be forced into administration.**

## **6. Relationship Agreement**

The Company, SP Angel, the Odey Funds and Swan have entered into a Relationship Agreement, which is conditional upon completion of the Proposals, pursuant to which the Odey Funds and Swan, in their capacities as substantial shareholders, have given various undertakings to the Company and

SP Angel regarding the relationship between the Odey Funds, Swan, their associates and the Company.

In particular, the Odey Funds and Swan have agreed:

- not to take any action that would result in the Company not being capable at any time of carrying on its business independently of the Odey Funds, Swan and their associates; and
- not to exercise their voting rights to prevent there being not less than two independent directors of the Company from time to time who have not been nominated by the Odey Funds, Swan and/or their associates.

The agreement will terminate if the Odey Funds, Swan and their associates cease to be interested in more than 29.9 per cent. of the Company's voting share capital from time to time. Some provisions of the Relationship Agreement survive termination and these include the right of the Odey Funds and Swan together to appoint non-executive directors to the Board based on their interest in the Ordinary Shares of the Company as described below.

In view of the substantial shareholdings of the Odey Funds and Swan, the Company has agreed in the Relationship Agreement that for so long as the Odey Funds and Swan are together interested in at least 10 per cent. of the Ordinary Shares, they may appoint one non-executive director to the Board and that for so long as the Odey Funds and Swan are together interested in at least 30 per cent. of the Ordinary Shares, they may appoint two non-executive directors. No such nominated director will be appointed or continue in office if the Company (acting reasonably) determines that such appointment or continuation in office would have a material adverse effect on the ongoing appropriateness of the Company for admission to trading on AIM, such approval not to be unreasonably withheld.

The Odey Funds and Swan also separately confirm that they have every intention to act in the best interests of the Company and in turn, to seek to improve the valuation of the Company for all Shareholders.

## **7. Proposed Board appointments**

Pursuant to the provisions of the Relationship Agreement, on completion of the Proposals the following persons will join the Board as non-executive directors at the request of the Odey Funds and Swan:

### ***David Fletcher***

David is a Partner and Non-Executive Chairman of OAM. He has been part of the OAM management team for over 20 years since joining as Chief Executive in 1995. David is also a Senior Adviser at Social Finance, a not for profit social sector innovator. Prior to OAM, David was CEO at Leopold Joseph, the quoted UK merchant bank, where he had worked since graduating from New College, Oxford, in 1980.

### ***Karen O'Mahony***

Karen is currently Managing Director of PE Advisors Ltd ("**PEAL**"). Prior to the establishment of PEAL in 2014, Karen spent 10 years at Misland Capital Ltd where she was Deputy Chief Investment Officer. From 2002 to 2004, she was a Director at Davy Stockbrokers Ltd in Dublin and prior to that, she worked as an Associate at Goldman Sachs covering Pan European Equity Research. She holds a master's degree in Quantitative Finance from University College Dublin and an undergraduate degree in Finance from Trinity College Dublin.

## **8. The Takeover Code**

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

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

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

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

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

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

Under the Takeover Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest or interests in shares carrying, in aggregate, 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control. OAM and the relevant funds over which it has control of all voting and investment decisions, being OEI, OMI and Swan (i.e. the Odey Entities), (the "Concert Party") are considered to be acting in concert for the purposes of the Takeover Code (as such term is defined in the Takeover Code). However, for the purposes of Rule 9, the Takeover Panel considers the Concert Party to be a single entity. Given that on completion of the Proposals the Concert Party will hold over 50% of the voting rights of the Company, any transfer of shares in the Company between entities within the Concert Party and any further acquisitions of the Company's shares by any member of the Concert Party, whether individually or collectively, will not be subject to the restrictions of Rule 9 of the Takeover Code.

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

Immediately following completion of the Proposals and the issue of the Conversion Shares, Placing Shares and OAM Fee Shares, the Odey Entities will have acquired interests in the Ordinary Shares carrying, in aggregate, 54.27 per cent. of the then enlarged voting rights of the Company which,

without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the Odey Entities (and any party deemed to be acting in concert with the Odey Entities) to make a general offer to Shareholders under Rule 9 of the Takeover Code. Each of the Odey Entities' existing and resultant interests will comprise:

<i>Odey Entity</i>	<i>Existing Holdings</i>		<i>Holdings immediately following completion of the Proposals</i>	
	<i>No. of Existing Ordinary Shares</i>	<i>Percentage of the Existing Share Capital</i>	<i>Resultant shareholding</i>	<i>Percentage of the Enlarged Share Capital</i>
OEI	—	—	5,782,969,103	29.44%
OMI	—	—	4,216,975,093	21.47%
Swan	—	—	577,522,386	2.94%
OAM	—	—	82,064,749	0.42%
Total:	—	—	10,659,531,331	54.27%

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

Accordingly, the Panel has agreed to grant a waiver of the obligation of the Odey Entities to make a general offer under Rule 9 of the Takeover Code that would otherwise arise as a result of the issue of the Placing Shares and OAM Fee Shares to the Odey Entities pursuant to the Proposals, subject to Shareholders approving the Whitewash Resolution (Resolution 1) on a poll at the General Meeting. To be passed, the Whitewash Resolution will require a simple majority of the votes cast on a poll by the Shareholders entitled to vote. Shareholders should note that if the Whitewash Resolution is passed by Shareholders at the General Meeting and the Proposals completed, the Odey Entities, or any individual entity thereof, will not be restricted from making an offer for the Company.

**Shareholders should further note that, following completion of the Proposals and issue of the Conversion Shares, Placing Shares and OAM Fee Shares, the Odey Entities will between them be interested in approximately 54.27 per cent. of the then enlarged voting rights of the Company and that:**

- **by virtue of holding more than 50 per cent. of the Company's voting rights, the Odey Entities will be entitled to increase their holdings or aggregate interest in the voting rights of the Company without incurring any obligation under Rule 9 of the Takeover Code to make a general offer to all Shareholders to acquire their Ordinary Shares; and**
- **this will increase the percentage of the Ordinary Shares that are not in public hands. This may in turn have the effect of reducing the liquidity of trading in the Ordinary Shares on AIM. The Odey Entities' stake in the voting rights of the Company will also mean that the Odey Entities will be able, if they so wish, to exert significant influence over resolutions proposed at future general meetings of the Company.**

The attention of Shareholders is drawn to the information on the Odey Entities set out in Part 2 of this document and the additional information required by the Takeover Code set out in Part 3 of this document.

## **10. Independent advice provided to the Board**

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

## **11. General Meeting**

The Directors do not currently have authority to allot all of the New Ordinary Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the Placing Shares at the General Meeting. In addition, the Panel's waiver of the obligations under Rule 9 of the Takeover Code has been granted subject to Shareholders entitled to vote approving the Whitewash Resolution on a poll at the General Meeting.

The formal Notice of General Meeting is set out at the end of this document convening the meeting to be held at the offices of Fladgate LLP at 16 Great Queen Street, London WC2B 5DG at 10.00 a.m. on 20 June 2017. At the General Meeting the following Resolutions will be proposed:

- **Resolution 1** is an ordinary resolution to approve the waiver of the obligations under Rule 9 of the Takeover Code, conditional on approval of the Panel. This resolution will be taken on a poll, and must be approved by Shareholders entitled to vote who together represent a simple majority of the issued Ordinary Shares held by such Shareholders being voted (whether in person or by proxy) at the General Meeting;
- **Resolution 2**, which is conditional on the passing of Resolution 1 and is an ordinary resolution, to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £372,645.05335, being equal to 7,452,901,067 Ordinary Shares (i.e. the maximum number of Ordinary Shares available under the Placing); and
- **Resolution 3**, which is conditional on the passing of Resolutions 1 and 2 and is a special resolution to authorise the Directors to issue and allot up to 7,452,901,067 Ordinary Shares pursuant to the Placing on a non-pre-emptive basis.

**Completion of the Conversion and Placing is conditional upon the passing of the Resolutions. If any of the Resolutions are not passed then the Conversion and Placing will not complete and the Company will need to raise additional working capital in the short term.**

**If the Proposals are not approved by Shareholders and are not implemented and the Odey Funds were to exert their right to serve a conversion notice at any time prior to the scheduled maturity of the Loan Notes on 19 June 2018 and elect to have the unconverted balance of their Loan Notes redeemed for cash at that time or otherwise hold all or a portion of their Loan Notes until maturity, the Company would be forced to seek alternative sources of potential funding which may or may not be obtainable on similar commercial terms or of a sufficient quantum and may or may not be secured on a timely basis or at all. If any such alternative sources of potential funding are not available when required, the Directors believe it is highly likely that the Company would be unable to satisfy either redemption of the unconverted Loan Notes or its further funding obligations in respect of the OAR, leading to dilution of its existing ownership interest in SPMP and/or potentially being forced into administration.**

The Strand Hanson Fee Shares are to be allotted and issued to Strand Hanson in lieu of part of its fee for advising the Company in connection with the Proposals. The SP Angel Warrants are to be granted

in lieu of part of its fee for advising the Company in connection with the Placing. The Company has also agreed to pay OAM £175,000 (plus VAT in respect of the cash portion of this payment) in recognition of the professional advisory costs that OAM has incurred in connection with the renegotiation and restructuring of the Loan Notes, such fee to be satisfied by the payment of £75,000 plus VAT in the sum of £15,000 in respect of the professional advisory costs in cash and the allotment and issue of the OAM Fee Shares to OAM (or to any person or entity as it directs). The Fee Shares and the SP Angel Warrants will be allotted and issued pursuant to the general authorities to be granted to the Directors at the Company's forthcoming Annual General Meeting.

## **12. Action to be taken**

A Form of Proxy is enclosed for use by Shareholders in connection with the General Meeting. Whether or not you intend to be present at the General Meeting in person, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed on it and return it to the Company's registrars, Capita Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive not later than 10.00 a.m. on 16 June 2017. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you subsequently wish to do so.

In accordance with the requirements of the Panel, the Whitewash Resolution will be taken on a poll of Shareholders entitled to vote.

## **13. Irrevocable undertakings**

The Company has received irrevocable undertakings to vote in favour of all the Resolutions, including the Whitewash Resolution (Resolution 1), from all of the Directors who hold Existing Ordinary Shares, in respect of, in aggregate, 1,663,745,800 Existing Ordinary Shares representing approximately 19.64 per cent. of the Existing Ordinary Shares. Further details of the irrevocable undertakings are set out in paragraph 4.5 of Part 3 of this document.

## **14. Overseas Shareholders**

It is the responsibility of any person receiving a copy of this document outside of the United Kingdom to satisfy himself/herself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such territory. Persons (including, without limitation, nominees and trustees) receiving this document should not send it into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

## **15. Further information**

Your attention is drawn to the further information set out in Parts 2 and 3 of this document and to the Company's consolidated annual report and financial statements for the last two financial years, each of which are incorporated by reference into this document, and are available at [www.tri-starresources.com/investors/financial-reports/](http://www.tri-starresources.com/investors/financial-reports/). You are advised to read the whole of this document and not merely rely on the key or summarised information in this letter.

## **16. Recommendation**

**The Directors, having been so advised by Strand Hanson, consider the Proposals and the passing of the Resolutions, including the Whitewash Resolution, to be fair and reasonable and in the best interests of the Shareholders and the Company as a whole. In providing its advice to the Directors, Strand Hanson has taken into account the Directors' commercial assessments.**

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of all of the Resolutions, as they have irrevocably undertaken so to do in respect of their own beneficial shareholdings of, in aggregate, 1,663,745,800 Existing Ordinary Shares, representing approximately 19.64 per cent. of the existing issued share capital of the Company.

The Conversion and the Placing are conditional, among other things, upon the passing of the Resolutions at the General Meeting. Shareholders should be aware that if the Resolutions are not approved at the General Meeting by Shareholders, the Conversion and the Placing will not proceed.

Yours faithfully

**Mark Wellesley-Wood**  
*Non-Executive Chairman*

## PART 2

### INFORMATION ON THE ODEY ENTITIES

The information set out in this Part 2, which relates to the Odey Entities, has been accurately reproduced from information provided by OAM. As far as Tri-Star is aware and is able to ascertain from information provided by OAM, no facts have been omitted which would render the information in this Part 2, which relates to the Odey Entities, inaccurate or misleading.

#### 1. Information on OAM and the Odey Funds

##### 1.1 Odey Asset Management LLP

Odey Asset Management LLP is a limited liability partnership registered in England & Wales with registration number OC302585 and with its registered office at 12 Upper Grosvenor Street, London W1K 2ND. OAM is a London-based investment management firm which engages in discretionary investment management services for a range of UK and offshore funds and segregated managed accounts for institutional clients. As at 31 March 2017, OAM had US\$6.5 billion of assets under management. OAM manages both OEI and OMI on a discretionary basis and has the power to direct the voting rights of the Odey Funds and Swan. OAM is authorised and regulated by the FCA in the conduct of its discretionary investment management activities.

##### 1.2 Odey European Inc.

Odey European Inc. is an open-ended investment company incorporated with limited liability and registered in the Cayman Islands with registration number CR-114227 and with its registered office at Landmark Square, West Bay Road, PO Box 775, Grand Cayman, KY1-9006. Its investment objective is to achieve capital appreciation. OEI's directors are Frank Ennis, Clive Harris, Tim Sweeting, Tim Pearey and Claire Holdsworth (alternate director) and its investment manager and alternative investment fund manager is OAM.

##### 1.3 OEI MAC Inc.

OEI MAC Inc. is an open-ended investment company with limited liability and registered in the Cayman Islands with number CR-114226 and with its registered office at Landmark Square, West Bay Road, PO Box 775, Grand Cayman, KY1-9006. Its investment objective is to achieve long-term capital appreciation. OMI's directors are Frank Ennis, Clive Harris, Tim Sweeting, Tim Pearey and Claire Holdsworth (alternate director) and its investment manager and alternative investment fund manager is OAM.

##### 1.4 Odey Swan Fund

Odey Swan Fund is a sub-fund of Odey Investments plc, an open-ended umbrella type investment company with segregated liability between its various sub-funds and incorporated with limited liability under the laws of Ireland with registered number 501534. Odey Investments plc is authorised by the Central Bank of Ireland pursuant to the European Communities Undertakings for Collective Investment in Transferable Securities Regulations 2011, as amended. The directors of Odey Investments plc are Andrew Bates, Frank Ennis, Tim Pearey and Tom Richards (alternate director). The investment objective of Swan is to achieve long term capital appreciation and OAM has been appointed as its investment manager, to manage the investment of the assets of Swan.

#### 2. Interests and dealings

Except for the conversion rights of OEI and OMI under the Loan Notes, as at the close of business on the disclosure date:

- 2.1 the Odey Entities have no interest in or right to subscribe for, nor have any short position in relation to, any relevant Tri-Star securities, nor have they dealt in any relevant Tri-Star securities during the disclosure period;

- 2.2 none of the Odey Entities' members or directors (including any members of such members or directors' respective immediate families, related trusts or connected persons) have an interest in or a right to subscribe for, or have any short position in relation to, any relevant Tri-Star securities, nor has any such person dealt in any relevant Tri-Star securities during the disclosure period;
- 2.3 no person acting in concert with the Odey Entities has an interest in or a right to subscribe for, or has any short position in relation to, any relevant Tri-Star securities, nor has any such person dealt in any relevant Tri-Star securities during the disclosure period;
- 2.4 there are no arrangements which exist between the Odey Entities, or any person acting in concert with the Odey Entities, and any other person in connection with or dependent upon the outcome of the Proposals; and
- 2.5 neither the Odey Entities nor any person acting in concert with the Odey Entities have borrowed or lent any relevant Tri-Star securities, except for any borrowed shares which have either been on-lent or sold.

### **3. Intentions of the Odey Entities following implementation of the Proposals**

- 3.1 OAM has collaborated very well to date with the Board and would like to acknowledge all of the Board's efforts vis-à-vis the development of SPMP's OAR project. It is in the best interests of the Board and all shareholders that this good work continues and OAM intends to continue to work alongside the Board in the successful development of SPMP and the OAR.
- 3.2 Following completion of the Proposals, OAM intends to work alongside the Board to carry out a review of the business structure and operations of the Company, including its investment in SPMP with a view to optimising the ongoing cost base and administration of the Company and increasing the Company's revenue and improving its performance. Some operational and administrative restructuring may be required but OAM has not made any decisions about how any such restructuring should be carried out. When carrying out the review and any restructuring OAM has every intention to act in the best interests of the Company and in turn, to seek to improve the valuation of the Company for all shareholders.
- 3.3 OAM (acting on behalf of the Odey Funds and Swan) has no intention of changing the location of the Company's operations or of redeploying the fixed assets of the Company. In addition, OAM (acting on behalf of the Odey Funds) does not have any intentions that would affect the maintenance of the existing trading facilities on AIM for the relevant Tri-Star securities.
- 3.4 OAM (acting on behalf of the Odey Funds and Swan) has also confirmed that it intends to fully observe the existing employment and pension rights of the Company's existing management and employees in accordance with applicable law. OAM (acting on behalf of the Odey Funds and Swan) has no intention to change the employer contributions into the Company's pension scheme(s) and, in addition, intends to maintain the Company's existing arrangements for the accrual of benefits for existing members and the admission of new members in respect of the Company's pension scheme(s).
- 3.5 On completion of the Proposals, OAM (acting on behalf of the Odey Funds and Swan) will seek the appointment of two representatives to the Board. OAM (acting on behalf of the Odey Funds and Swan) anticipates that further changes to the Board may be required following completion of the Proposals. At this stage, no firm decisions have been made by OAM (acting on behalf of the Odey Funds and Swan) in this regard. Any changes to the Board will be carried out in accordance with the Company's articles of association and applicable law.
- 3.6 At this time, there are no agreements or arrangements between the Odey Entities and the executive management of the Company and, in particular, no formal discussions have taken place in relation to the terms of any management incentivisation agreements.

3.7 OAM (acting on behalf of the Odey Funds and Swan) has also informed the Board that, as a result of and following completion of the Proposals, it does not intend to change its, the Odey Funds' or Swan's business strategies as investors in public equity and alternative investment markets.

#### **4. Arrangements**

Neither the Odey Entities nor any persons acting in concert with them have entered into agreements, arrangements or understandings (including any compensation arrangement) with any of Tri-Star's:

4.1 Directors or recent Directors (or their close relatives or related trusts); or

4.2 Shareholders, recent Shareholders or any person interested or recently interested in Existing Ordinary Shares,

which are connected with or dependent upon the outcome of the Proposals. Save for the transfer of the OAM Fee Shares to PEAL following Admission, the Odey Entities have not entered into any agreement, arrangement or understanding to transfer any interest acquired in Tri-Star, as a result of the issue of the New Ordinary Shares, to any person. Following this transfer, the Odey Entities and PEAL, which as at the date of this document has no shareholding in the Company, will be treated as acting in concert.

#### **5. Material contracts of the Odey Entities**

Except as set out in paragraph 4 of Part 3 of this document, there are no material contracts (other than contracts entered into in the ordinary course of business) entered into by the Odey Entities within the two years immediately preceding the date of this document.

#### **6. Financial information on the Odey Entities**

Certain financial information on the Odey Entities incorporated by reference in this document in accordance with Rule 24.15 of the Takeover Code, is set out in paragraph 9 of Part 3 of this document.

Please refer to paragraph 9 of Part 3 of this document for details of how to obtain hard copies of documents incorporated by reference into this document.

#### **7. Odey Entities' ratings information**

There are no current ratings or outlooks publicly accorded to any of the Odey Entities by ratings agencies.

#### **8. Definitions**

For the purposes of Parts 2 and 3 of this document the following words and phrases will have the following meanings:

8.1 **acting in concert** with a person means any other person acting or deemed to be acting in concert with that first person for the purposes of the Takeover Code;

8.2 **arrangement** includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

8.3 **connected adviser** has the meaning attributed to it in the Takeover Code;

8.4 **connected person** means in relation to a director, those persons whose interests in Ordinary Shares the director would be required to disclose pursuant to Part 22 of the CA 2006 and related regulations and includes any spouse, civil partner, infants (including step children), relevant trusts and any company in which a director holds at least 20 per cent. of its voting capital;

- 8.5 **control** means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;
- 8.6 **dealing** or **dealt** includes the following:
- 8.6.1 the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
  - 8.6.2 the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
  - 8.6.3 subscribing or agreeing to subscribe for relevant securities;
  - 8.6.4 the exercise or conversion of any relevant securities carrying conversion or subscription rights (whether in respect of new or existing securities);
  - 8.6.5 the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
  - 8.6.6 entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
  - 8.6.7 any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- 8.7 **derivative** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- 8.8 **disclosure date** means 31 May 2017, being the latest practicable date prior to the date of this document;
- 8.9 **disclosure period** means the period commencing on 1 June 2016, being the date 12 months prior to the date of publication of this document and ending on the disclosure date;
- 8.10 **exempt principal trader** or **exempt fund manager** have the meanings attributed to them in the Takeover Code;
- 8.11 being **interested** in relevant securities includes where a person:
- 8.11.1 owns relevant securities;
  - 8.11.2 has a right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
  - 8.11.3 by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
  - 8.11.4 is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

- 8.12 **paragraph 1 associate** means, in relation to a company, its parent, subsidiaries and fellow subsidiaries, their associated companies, and companies of which such parent, subsidiaries, fellow subsidiaries or associated companies are associated companies (for this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of "associated company" status);
- 8.13 **relevant Odey securities** means interests in the Odey Entities (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- 8.14 **relevant Tri-Star securities** means shares in Tri-Star (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- 8.15 **relevant securities** means relevant Odey securities or relevant Tri-Star securities; and
- 8.16 **short position** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

## PART 3

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Company and the Directors, whose names are set out on page 10 of this document, accept responsibility for all the information contained in this document (other than the information for which responsibility is accepted pursuant to paragraphs 1.2 and 1.3 of this Part 3). To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 For the purposes of Rule 19.2 of the Takeover Code only, OAM accepts responsibility for the information contained in this document relating to OAM, the Odey Funds and Swan. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which it takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors of Tri-Star

The Directors of Tri-Star and their respective functions as at the date of this document are as follows:

<i>Director</i>	<i>Function</i>
Mark Wellesley-Wood	Non-Executive Chairman
Emin Eyi	Non-Executive Deputy Chairman
Guy Eastaugh	Chief Executive Officer
Adrian Collins	Non-Executive Director
Jonathan Quirk	Non-Executive Director

#### 3. Directors' service contracts and interests

- 3.1 The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to each Director by the Group for services in all capacities to the Group in respect of the financial year ended 31 December 2016, together with total amounts set aside or accrued by the Group to provide pension, retirement or similar benefits to each Director, were as follows:

<i>Name</i>	<i>Remuneration and benefits in kind</i>	<i>Pension benefits</i>
	<i>£</i>	<i>£</i>
Mark Wellesley-Wood	51,750	Nil
Emin Eyi	45,000	Nil
Guy Eastaugh	233,333	Nil
Adrian Collins	30,000	Nil
Jonathan Quirk	20,000	Nil

- 3.2 Summary details of the Directors' service contracts or appointment letters, all of which are between each individual Director and Tri-Star, are as set out below. Except as disclosed, none of the Directors' service contracts or appointment letters have been amended during the past six months.

### 3.2.1 **Mark Wellesley-Wood**

Mr Wellesley-Wood is engaged as a non-executive director of the Company and as Chairman of the Board pursuant to the terms of a letter of appointment dated 24 March 2015. The appointment was for an unspecified term, is continuing and may be terminated by either party giving to the other three months' written notice. Further, the appointment may expire upon Mr Wellesley-Wood's resignation, his removal from office, conviction of any criminal offence other than a minor motoring offence or conviction of an offence relating to insider dealing or market abuse. Mr Wellesley-Wood is paid director's fees of £55,500 annually, in equal monthly instalments in arrears. The Company will reimburse Mr Wellesley-Wood for all reasonably and properly incurred expenses on the Company's business.

Mr Wellesley-Wood is also engaged to provide certain consulting services to the management of SPMP pursuant to two letters of appointment, the first dated 24 August 2016, which engaged Mr Wellesley-Wood to participate in technical and commercial discussions regarding supply and offtake, and the second dated 2 December 2016, under which Mr Wellesley-Wood is engaged to participate in technical and commercial discussions regarding construction and contracting, respectively. Under both letters of appointment, Mr Wellesley-Wood is paid a fee of £1,000 per additional day, agreed in advance, for his services (over and above his commitments as a director of SPMP) and SPMP will also reimburse reasonable expenses including hotel accommodation and business class air fares.

### 3.2.2 **Emin Eyi**

Mr Eyi is engaged as non-executive Deputy Chairman of the Company pursuant to the terms of a letter of appointment dated 24 September 2015. The appointment was for an unspecified length of time, is continuing and may be terminated by either party giving to the other, six months' written notice. Further, the appointment may expire upon Mr Eyi's resignation, his removal from office, his conviction of any criminal offence other than a minor motoring offence or conviction of an offence relating to insider dealing or market abuse. Mr Eyi is paid director's fees at the rate of £45,000 (forty five thousand pounds) per annum, paid in equal monthly instalments in arrears. He is also entitled to an immediate cash bonus of £50,000 payable immediately on each of; receipt by the Company of the US\$2 million deferred contingent consideration under the Deed of Assignment, receipt by the Company of the first dividend arising from SPMP and subsequent sale of all or a material part of the Company's equity stake in SPMP.

Mr Eyi is also engaged as the chief executive officer of SPMP pursuant to an employment contract dated 1 September 2015. The contract is, in the absence of breach, for a fixed term of two years, following which the contract may lapse or be renewed. Mr Eyi is paid a salary of US\$33,330 per month inclusive of accommodation and school allowances. SPMP will reimburse Mr Eyi for all reasonably incurred expenses in the proper performance of his duties.

### 3.2.3 **Guy Eastaugh**

Mr Eastaugh is employed as the Chief Executive Officer of the Company pursuant to the terms of an executive service agreement dated 24 September 2015. The agreement may be terminated by either party giving the other six months' notice in writing. On a change of control, should either Mr Eastaugh or the Company serve notice of termination within one year following the change of control Mr Eastaugh will be entitled to a payment on termination of 12 months' salary. The agreement may be terminated immediately by the Company if Mr Eastaugh commits any serious breach of his obligations under the agreement, commits a criminal offence or is (in the reasonable opinion of the Board), incapable of properly performing his duties under the agreement. Mr Eastaugh is paid a salary of £175,000 per annum. The Company will reimburse Mr Eastaugh for all reasonably incurred expenses in the proper performance of his duties. The Company has the sole discretion to pay Mr Eastaugh a performance bonus. Mr Eastaugh is eligible to receive an "event bonus" equivalent to one third of his annual salary on completion of each or any of the following events; receipt by the

Company of the US\$2 million deferred contingent consideration under the Deed of Assignment, receipt by the Company of the first dividend arising from SPMP and subsequent sale of all or a material part of the Company's equity stake in SPMP.

### 3.2.4 **Adrian Collins**

Mr Collins is employed as a non-executive director of the Company on behalf of Fincorp International Limited pursuant to the terms of a letter of appointment dated 3 August 2010. This appointment was for an initial fixed term of six months, is continuing and may be terminated by either the Company or Fincorp International Limited giving to the other one month's written notice. The appointment will expire with Mr Collins' resignation or his removal from office, bankruptcy or conviction of a criminal offence or an offence of insider trading. The appointment can also be terminated by Fincorp International Limited threatening insolvency, receivership or administration. Fincorp International Limited receives fees of £30,000 per annum for providing Mr Collins' services. Neither Mr Collins nor Fincorp International Limited are entitled to any other benefits from the Company.

### 3.2.5 **Jonathan Quirk**

Mr Quirk is engaged as a non-executive director of the Company pursuant to the terms of a letter of appointment dated 3 August 2010. The appointment was for an initial fixed term of six months', is continuing and may be terminated by either party giving to the other one month's written notice. The appointment will expire with Mr Quirk's resignation or his removal from office, bankruptcy or conviction of a criminal offence or an offence of insider trading. Mr Quirk receives fees of £20,000 per annum. The Company will also reimburse Mr Quirk for all reasonably incurred expenses in accordance with the Company's normal expenses policy. He is not entitled to any other benefits.

- 3.3 On completion of the Proposals the Company will enter into non-executive letters of appointment with each of David Fletcher and Karen O'Mahony. Their appointment and removal as directors will be subject to the terms of the Relationship Agreement referred to at paragraph 4.4 below but, should that agreement terminate, the appointments will be terminable by either party giving to the other one month's written notice. No fees will be payable but the Company will reimburse reasonably incurred expenses in accordance with the Company's normal expenses policy. There will be no entitlement to any benefits.
- 3.4 As at 31 May 2017 (being the latest practicable date prior to the publication of this document), the Directors had the following interests in, and options over, Ordinary Shares:

<i>Director</i>	<i>No. of Existing Ordinary Shares held</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Options over Ordinary Shares</i>
Mark Wellesley-Wood	7,000,000	0.08%	50,000,000
Emin Eyi	1,575,000,000	18.59%	Nil
Guy Eastaugh	40,000,000	0.47%	116,670,000
Adrian Collins	28,245,800	0.33%	79,250,000
Jonathan Quirk	13,500,000	0.16%	74,250,000
Total:	<u>1,663,745,800</u>	<u>19.64%</u>	<u>320,170,000</u>

## **4. Material contracts entered into by the Company**

The following contracts are all: (i) the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into within the two years prior to the date of this document by members of the Group; and (ii) the contracts (not being contracts entered into in

the ordinary course of business) entered into at any time by members of the Group which contain provisions under which any member of the Group has an obligation or entitlement which is or may be material to the Group as at the date of this document:

**4.1 Loan Note Instrument**

The instrument constituting the Loan Notes executed as a deed poll by the Company and dated 19 June 2013, as restated and amended by instruments dated 22 July 2014, 10 June 2015 and 5 August 2015 as more particularly described in paragraph 2 of Part 1 of this document.

**4.2 Loan Note variation agreement**

An agreement dated 1 June 2017 between the Company and the Odey Funds under which it was agreed to amend the Loan Notes as described in paragraph 2 of Part 1 of this document.

**4.3 Placing Agreement**

The Placing Agreement dated 1 June 2017 between the Company and SP Angel, details of which are summarised in paragraph 4 of Part 1 of this document.

**4.4 Relationship Agreement**

The Relationship Agreement dated 1 June 2017 between the Company, SP Angel, the Odey Funds and Swan, details of which are summarised in paragraph 6 of Part 1 of this document.

**4.5 Irrevocable undertakings**

Irrevocable undertakings dated 1 June 2017 have been entered into between the Company and each of the Directors who hold Existing Ordinary Shares (as set out in paragraph 4 above) pursuant to which each Director has agreed, among other things, to vote in favour of, or to procure votes in favour of, the Resolutions in respect of the Existing Ordinary Shares held by him.

**4.6 Nominated adviser and broker agreements**

A nominated adviser agreement dated 30 September 2013 and a broker agreement dated 1 May 2013 each between the Company and SP Angel pursuant to which SP Angel agreed to act as the Company’s nominated adviser and broker. The Company gave customary warranties and indemnities to SP Angel. In the absence of breach, the agreements are terminable on three months’ notice. Under each agreement, SP Angel is paid a fee of which £5,000 per annum (£10,000 per annum in aggregate) is satisfied in Ordinary Shares at the ten day volume weighted average price (“**VWAP**”) of the Ordinary Shares for the ten days preceding the due date for payment. Pursuant to these arrangements, during the disclosure period the Company allotted and issued Ordinary Shares to SP Angel as follows:

<i>Date of issue and allotment</i>	<i>VWAP</i>	<i>Number of Ordinary Shares</i>
18 May 2016	0.0877p	5,701,254
25 October 2016	0.1155p	4,329,004
3 May 2017	0.2377p	2,103,492

As at 31 May 2017, being the latest practicable date prior to publication of this document, SP Angel has an interest in 46,770,371 Ordinary Shares and has also been granted warrants over 70,200,000 Ordinary Shares. The warrants have an exercise price of 0.1p each and have an exercise period expiring on 5 August 2019.

**4.7 SPMP Shareholders’ Agreement**

The shareholders’ agreement between Oman Investment Fund Holding Company LLC, the Company and DNR Industries Ltd (previously Castell Investments Ltd) (together the “**Joint Venture**”

**Shareholders**”), entered into on 14 April 2014 (and subsequently amended on 20 August 2015), governs the relationship between the companies as shareholders in SPMP, a joint venture company established for the purpose of financing, constructing and operating a facility for the processing of antimony ores. Pursuant to the agreement, each of the Company and Oman Investment Fund Holding Company LLC hold 40 per cent. of the shares of SPMP and DNR Industries Ltd holds 20 per cent. The board of SPMP consists of seven directors; three appointed by Oman Investment Fund Holding Company LLC, two appointed by the Company, one appointed by DNR Industries Ltd and one appointed jointly by DNR Industries and the Company.

Except for transfers of shares to another group company or in accordance with the agreement, parties cannot transfer, assign or otherwise dispose of shares in SPMP. A party may transfer its shares in accordance with the agreement to someone other than within its group, provided that the shares are offered to the remaining shareholders who have an overriding right of purchase. The agreement contains tag along rights on a transfer of shares.

The agreement is deemed to continue in full force and effect until either; winding up proceedings are instituted on SPMP or only one shareholder holds all of SPMP’s shares.

If the shareholders are required to provide additional funds above those amounts already committed, such additional commitment is proportioned. Oman Investment Fund Holding Company LLC’s potential funding commitment is capped at US\$25.13 million and DNR Industries Ltd’s potential funding commitment is capped at US\$7.57 million. The Company’s contributions are uncapped and it will cover any funding required above an aggregate additional US\$20 million.

#### 4.8 IPR assignment

Under the terms of the SPMP shareholders’ agreement, the Company was required to assign all intellectual property rights in the antimony roaster technology. The Company entered into a deed of assignment dated 4 June 2015 with SPMP. The consideration for the assignment was US\$6,000,000 of which US\$4,000,000 has been paid. A further US\$2,000,000 will be paid within seven days of written confirmation that the facility has been commissioned in its pilot phase in accordance with the specification.

#### 4.9 Guarantee

A guarantee dated 21 July 2015 given by the Joint Venture Shareholders, including the Company, of the obligations of SPMP under a land lease agreement in respect of SPMP’s site in Oman. The obligations of the Joint Venture Shareholders are joint and several.

#### 4.10 Placing and subscription agreements

A placing agreement between the Company and SP Angel dated 5 August 2015 pursuant to which the Company placed 1,278,000,000 new Ordinary Shares at a price of 0.10p per share. The Company gave customary warranties and indemnities to SP Angel. In consideration for acting as the Company’s placing agent, the Company paid to SP Angel a commission of 5 per cent. on funds raised by SP Angel and also issued SP Angel with a warrant to subscribe for 70,200,000 new Ordinary Shares at 0.10p per share at any time until 5 August 2019. On 5 August 2015, the Company also entered into a subscription agreement with Traxys Europe SA pursuant to which the latter subscribed for 222,000,000 new Ordinary Shares at a price of 0.10p per share.

#### 4.11 Sale of Golden Pike mining claims

Pursuant to an agreement dated 18 December 2015 between Globex Mining Enterprises Inc (“**Globex**”) and the Company’s subsidiary, Rockport Mining Corp (“**Rockport**”), Rockport sold and Globex bought all rights and title in 119 mining claims in New Brunswick, Canada for 350,000 fully paid shares in the capital of Globex and the grant to Rockport of a one per cent. net smelter royalty. The royalty becomes payable when and if production commences from the acquired claims of

600,000 troy ounces of gold. Rockport gave limited warranties to Globex. Further to this agreement, Globex took an assignment from Rockport of its prospecting agreement with Southfield Resources Ltd and William Carter dated 22 May 2007, in consideration of assuming all obligations and liabilities under that agreement.

#### 4.12 Deed of contribution

A deed of contribution dated 26 April 2017 between the Joint Venture Shareholders under which the parties agreed to allocate their liabilities under the guarantee referred to in paragraph 4.9 above in proportion to their shareholding interests in SPMP.

### 5. No significant change

Except as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 December 2016, being the date to which the last consolidated annual report and financial statements, incorporated by reference in paragraph 9 of Part 3 of this document, were published.

### 6. Market quotations

The following table shows the closing middle market quotations for the Existing Ordinary Shares, as derived from the AIM Appendix to the Daily Official List on the first Business Day of each of the six months immediately preceding the date of this document and on 31 May 2017 (being the latest practicable date prior to the posting of this document):

<i>Date</i>	<i>Price per Existing Ordinary Share</i>
1 December 2016	0.115 pence
3 January 2017	0.115 pence
1 February 2017	0.165 pence
1 March 2017	0.19 pence
3 April 2017	0.20 pence
2 May 2017	0.175 pence
31 May 2017	0.16 pence

### 7. Additional disclosure required by the Takeover Code

- 7.1 Defined terms used in this paragraph 7 of Part 3 will have the meaning given to them in paragraph 8 of Part 2.
- 7.2 As at the close of business on the disclosure date, except as disclosed elsewhere in this document:
- 7.2.1 none of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Tri-Star securities;
  - 7.2.2 no paragraph 1 associate of Tri-Star had any interest in, or right to subscribe for, or had any short position in relation to, any relevant Tri-Star securities;
  - 7.2.3 no pension fund of Tri-Star or of a paragraph 1 associate of Tri-Star had any interest in or right to subscribe for, or had any short position in relation to, any relevant Tri-Star securities;
  - 7.2.4 no employee benefit trust of Tri-Star or of a paragraph 1 associate of Tri-Star had any interest in or right to subscribe for, or had any short position in relation to, any relevant Tri-Star securities;

- 7.2.5 no connected adviser to Tri-Star or to a paragraph 1 associate of Tri-Star or to a person acting in concert with Tri-Star, nor any person controlling, controlled by or under the same control as any such connected adviser (except for an exempt principal trader or exempt fund manager) had any interest in or right to subscribe for, or had any short position in relation to, any relevant Tri-Star securities;
- 7.2.6 neither Tri-Star nor any of the Directors (including any members of such directors' respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to, any relevant Odey securities, nor has any such person dealt in any relevant Odey securities during the disclosure period;
- 7.2.7 Tri-Star has not redeemed or purchased any relevant Tri-Star securities during the disclosure period;
- 7.2.8 there were no arrangements which existed between Tri-Star or any person acting in concert with Tri-Star and any other person; and
- 7.2.9 neither Tri-Star nor any person acting in concert with Tri-Star had borrowed or lent any relevant Tri-Star securities, except for any borrowed shares which have either been on-lent or sold.

## 8. Consent

Strand Hanson is registered in England and Wales (with number 02780169) and has its registered office at 26 Mount Row, London, W1K 3SQ. Strand Hanson has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear.

## 9. Incorporation of financial information by reference

- 9.1 The following documents (or parts of documents), which have been filed with the Takeover Panel and are available for inspection in accordance with paragraph 10 of this Part 3, contain information about the Company and the Odey Entities, which is relevant to this document.
- 9.2 The table below sets out the sections of these documents which are incorporated by reference into, and form part of, this document in accordance with Rule 24.15 of the Takeover Code, and only the parts of the documents identified in the table below are incorporated into, and form part of, this document. The parts of these documents which are not incorporated by reference are either not relevant for Shareholders or are covered elsewhere in this document.

<i>Source document from which information is incorporated into this document by reference</i>	<i>Information incorporated by reference</i>	<i>Page number(s) in source document</i>	<i>Page number(s) in this document</i>
Tri-Star's annual report and financial statements for the year ended 31 December 2015	Audited financial statements of Tri-Star for the financial year ended 31 December 2015 together with the unqualified independent auditor's report thereon		
	Independent auditor's report	16	32
	Profit and loss account	17	32
	Balance sheet	18	32
	Statement of cash flows	22	32
	Notes to the financial statements	31-50	32

<i>Source document from which information is incorporated into this document by reference</i>	<i>Information incorporated by reference</i>	<i>Page number(s) in source document</i>	<i>Page number(s) in this document</i>
Tri-Star's annual report and financial statements for the year ended 31 December 2016	Audited financial statements of Tri-Star for the financial year ended 31 December 2016 together with the unqualified independent auditor's report thereon		
	Independent auditor's report	15	33
	Profit and loss account	17	33
	Balance sheet	18	33
	Statement of cash flows	22	33
	Notes to the financial statements	31-47	33
OAM's annual report and financial statements for the year ended 5 April 2015	Audited financial statements of OAM for the financial year ended 5 April 2015, together with the unqualified independent auditor's report thereon		
	Independent auditor's report	6	33
	Profit and loss account	8	33
	Balance sheet	9	33
	Statement of cash flows	10	33
	Notes to the financial statements	11	33
OAM's annual report and financial statements for the year ended 5 April 2016	Audited financial statements of OAM for the financial year ended 5 April 2016, together with the unqualified independent auditor's report thereon		33
	Independent auditor's report	6	33
	Statement of comprehensive income	8	33
	Balance sheet	9	33
	Statement of changes in members' interests	10	33
	Notes to the financial statements	11	33
OEI's annual report and financial statements for the year ended 31 December 2014	Audited financial statements of OEI for the financial year ended 31 December 2014, together with the unqualified independent auditor's report thereon		33
	Independent auditor's report	9	33
	Statement of financial position	10	33
	Statement of comprehensive income	11	33
	Statement of changes in net assets	12	33
	Statement of cash flows	13	33
	Notes to the financial statements	14	33
OEI's annual report and financial statements for the year ended 31 December 2015	Audited financial statements of OEI for the financial year ended 31 December 2015, together with the unqualified independent auditor's report thereon		
	Independent auditor's report	8	33
	Statement of financial position	9	33
	Statement of comprehensive income	10	33
	Statement of changes in net assets	11	33
	Statement of cash flows	12	33
	Notes to the financial statements	13	33

<i>Source document from which information is incorporated into this document by reference</i>	<i>Information incorporated by reference</i>	<i>Page number(s) in source document</i>	<i>Page number(s) in this document</i>
OMI's annual report and financial statements for the year ended 31 December 2014	Audited financial statements of OMI for the financial year ended 31 December 2014, together with the unqualified independent auditor's report thereon		34
	Independent auditor's report	9	34
	Statement of financial position	10	34
	Statement of comprehensive income	11	34
	Statement of changes in net assets	12	34
	Statement of cash flows	13	34
	Notes to the financial statements	14	34
OMI's annual report and financial statements for the year ended 31 December 2015	Audited financial statements of OMI for the financial year ended 31 December 2015, together with the unqualified independent auditor's report thereon		34
	Independent auditor's report	8	34
	Statement of financial position	9	34
	Statement of comprehensive income	10	34
	Statement of changes in net assets	11	34
	Statement of cash flows	12	34
	Notes to the financial statements	13	34
Odey Investments plc's annual report and audited financial statements for the year ended 31 December 2015 (for Swan)	Audited financial statements of Odey Investments plc for the financial year ended 31 December 2015, together with the unqualified independent auditor's report thereon		
	Independent auditor's report	19	34
	Statement of financial position	20	34
	Statement of comprehensive income	24	34
	Statement of changes in net assets	26	34
	Statement of cash flows	28	34
	Notes to the financial statements	30	34
Odey Investments plc's annual report and audited financial statements for the year ended 31 December 2015 (for Swan)	Audited financial statements of Odey Investments plc for the financial year ended 31 December 2016, together with the unqualified independent auditor's report thereon		
	Independent auditor's report	9	34
	Statement of financial position	47	34
	Statement of comprehensive income	48	34
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9.3 A copy of each of the documents incorporated by reference into this document is available, free of charge, for downloading or inspection at [www.tri-starresources.com/investors/financial-reports/](http://www.tri-starresources.com/investors/financial-reports/).

9.4 Shareholders, persons with information rights and any other person to whom this document is sent may request hard copies of the information incorporated by reference from the Company at Suite 31, Second Floor, 107 Cheapside London EC2V 6DN or by telephoning the Company Secretary, on +44(0) 207 796 8644. Hard copies of the documents incorporated by reference will not be sent unless requested.

## **10. Documents available for inspection**

10.1 Copies of the following documents are available for inspection on request by a Shareholder, persons with information rights, or other person to whom this document is sent at the Company's registered office at Suite 31, Second Floor, 107 Cheapside London EC2V 6DN during normal business hours on any weekday (Saturdays, Sundays and public holidays in the UK excepted) from the date of this document until the conclusion of the General Meeting:

10.1.1 the memorandum and articles of association (to the extent applicable) of the Company and each of the Odey Entities;

10.1.2 the written consent letter from Strand Hanson referred to in paragraph 8 of this Part 3;

10.1.3 the material contracts referred to in paragraph 4 of this Part 3 in so far as they relate to the Proposals;

10.1.4 the Company's annual report and accounts for the years ended 31 December 2015 and 31 December 2016; and

10.1.5 this document and the Form of Proxy.

10.2 Copies of the documents set out in paragraph 10.1 of this Part 3 are also available on the Company's website at the following address: [www.tri-starresources.com/investors/aim-rule-26/](http://www.tri-starresources.com/investors/aim-rule-26/). Except as expressly referred to in this document, neither the content of Tri-Star's website, nor the content of any website accessible from hyperlinks on Tri-Star's website, is incorporated by reference into, or forms part of, this document.

## **11. Date of despatch and publication**

11.1 This document was despatched and published on 1 June 2017.

# Tri-Star Resources plc

(Incorporated and registered in England and Wales with registered number 04863813)

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of the members of Tri-Star Resources plc (the "**Company**") will be held at the offices of Fladgate LLP at 16 Great Queen Street, London WC2B 5DG on 20 June 2017 at 10.00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolution 3 as a special resolution. Resolution 1 will be taken on a poll in accordance with the requirements of the UK's Panel on Takeovers and Mergers (the "**Panel**").

In this notice, words and phrases that are defined in the Circular have the same meanings unless the context requires otherwise.

### ORDINARY RESOLUTIONS

1. **THAT** the grant of a waiver by the Panel of any obligation under Rule 9 of the Takeover Code for any of the Odey Entities to make a general offer to Shareholders as a result of the allotment and issue to them of the Placing Shares and the OAM Fee Shares be and is hereby approved.
2. **THAT**, subject to and conditional on the passing of Resolution 1, the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 CA 2006 to exercise all powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £372,645.05335 pursuant to the Placing, provided that this authority shall be in addition to and not in substitution for all previous authorities granted pursuant to section 551 CA 2006 and shall expire on the date falling six months from the date of passing this Resolution but may be previously revoked or varied by ordinary resolution and so 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 may allot equity securities in pursuance of any such offer or agreement as if such power had not expired.

### SPECIAL RESOLUTION

3. **THAT**, subject to and conditional on the passing of Resolutions 1 and 2, the Directors be and they are hereby empowered pursuant to Section 571 CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) wholly for cash pursuant to the authority conferred by Resolution 2 above as if section 561(1) CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of Ordinary Shares up to an aggregate nominal amount of £372,645.05335 pursuant to the Placing (as defined in the Circular) and will expire on the date falling six months from the date of passing this Resolution but may be previously revoked or varied by special resolution and so 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 may allot equity securities in pursuance of any such offer or agreement as if such power had not expired.

Dated: 1 June 2017

By order of the Board

**St James's Corporate Services Limited**  
Company Secretary

*Registered office:*  
Suite 31, Second Floor  
107 Cheapside  
London  
EC2V 6DN

## **EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING:**

### *Appointment of proxies*

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting 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 meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
3. You may appoint more than one proxy provided that 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. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Kent BR3 4TU. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
4. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting. 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 a resolution.

### *Appointment of a proxy using the hard copy proxy form*

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
6. To appoint a proxy using the proxy form, it must be
  - (a) completed and signed;
  - (b) sent or delivered to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Kent BR3 4TU; and
  - (c) received by the Company's registrars no later than 10.00 a.m. on 16 June 2017.
7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001 (SI 2001/3755), specifies that only those ordinary shareholders registered in the register of members of the Company by close of business on 16 June 2017 or, if the meeting is adjourned, in the register of members by close of business on the day two days before the date of any adjourned meeting will be entitled to attend or vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

### *Appointment of proxies through CREST*

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 10.00 a.m. on 16 June 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (SI 2001/3755).

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

14. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

#### *Changing proxy instructions*

15. To change your proxy instructions simply submit a new proxy appointment using the methods set out in paragraphs 6 or 11 above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
16. 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 the Company's registrar as indicated in paragraph 3 above.
17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### *Termination of proxy appointments*

18. 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 the Company's registrar as indicated in paragraph 3 above. 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 an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
19. The revocation notice must be received by the Company no later than 10.00 a.m. on 16 June 2017.
20. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 21 below, your proxy appointment will remain valid.
21. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

#### *Corporate representatives*

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

#### *Issued shares and total voting rights*

23. As at 6.00 p.m. on 31 May 2017 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital comprised 8,472,686,593 ordinary shares of 0.005p each 1,363,925,475 deferred shares of 0.1p each and 856,547,275 B deferred shares of 0.095p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 31 May 2017 is 8,472,686,593.

#### *Communication*

24. You may not use any electronic address provided either in this notice of meeting or any related documents (including the document within which this notice of meeting is incorporated and the proxy form) to communicate with the Company for any purposes other than those expressly stated.

#### *Poll vote*

25. In order to comply with the requirements of the Panel on Takeovers and Mergers, Resolution 1 will be taken on a poll.

