

LETTER FROM THE CEO

Tri-Star Resources Limited

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

Officers:

Claire Holdsworth (CEO)

Lavinia Jessup (Company Secretary)

Registered office:

18 Upper Brook Street
London
England
W1K 7PU

31 January 2021

Dear Shareholder,

Tri-Star Resources Limited (the “Company”) – Update to Shareholders

1. Introduction

The Company announced in November 2020 that it was no longer in the best interests of the Company and its shareholders to maintain the Company’s listing on AIM and it would be re-registering as a private limited company.

2. Reasons for Cancellation & Re-registration

The Shareholder Circular dated 9 November 2020 (the “Circular”) detailed the reasons for the AIM cancellation as:

- trading volumes were low for an AIM listed company;
- the Company has ceased to be substantively involved in the management of Strategic & Precious Metals Processing LLC (“SPMP”);
- the Company’s investment in SPMP is now a passive investment and does not justify the same level of engagement as needed for a company admitted to AIM;
- the costs of maintaining AIM admission (approximately £250,000 per annum) are significant and these costs cannot be justified if the Company has a passive investment SPMP; and
- the amount of senior management time required to maintain AIM admission cannot be justified now the Company has stopped being substantively involved in SPMP’s management.

3. Principal effects of Cancellation

The Circular listed the effects of cancellation – some are listed below by way of a reminder:

- Shareholders will cease to hold ordinary shares in a company whose shares are admitted to trading on AIM and will hold ordinary shares in a private limited liability company;
- Shareholders will be able to hold their shares in uncertificated form (i.e. in CREST) but should check with their existing stockbroker whether they are able to trade in unquoted shares.
- there will no longer be a public market mechanism for shareholders to trade in the ordinary shares and no price will be publicly quoted for the ordinary shares;
- the ordinary shares will remain freely transferable
- a Matched Bargain Facility will be set up to give shareholders an opportunity to trade the ordinary shares;
- the liquidity and marketability of the ordinary shares may be reduced and the value of the shares may be adversely affected;
- it may be more difficult for shareholders to determine the market value of their investment in the Company;

- the Company's CREST facility will remain in place for a short while but will be cancelled in the future. In this instance, shareholders who hold Ordinary Shares in CREST will receive share certificates;
- the AIM Rules will no longer apply;
- the Company will cease to retain a nominated adviser and broker;
- as an unlisted company, the Company will be subject to less stringent accounting disclosure requirements;
- the Company will no longer be subject to the Market Abuse Regulation regulating inside information;
- the Company will no longer be subject to the Disclosure Guidance and Transparency Rules and will therefore no longer be required to publicly disclose any change in major shareholdings;
- stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies; and
- there may be positive or negative taxation consequences for shareholders.

4. Principal effects of Re-Registration

The Circular listed the effects of re-registration as a limited company – some are listed below by way of a reminder:

- the period for the preparation of the accounts will be extended from six to nine months following the financial year end;
- it will be possible to obtain shareholder resolutions via written resolutions rather than holding physical shareholder meetings; and
- there is no longer a requirement to maintain a minimum of two directors so costs are reduced;
- there is no longer a requirement to hold an annual general meeting but if the Company chooses to hold one, an AGM can be held on 14 days' notice rather than 21.

5. Annual General Meeting

The Company held an Annual General Meeting on 2 December 2020 at which the following resolutions were proposed:

- Resolution 1 - to receive the reports and accounts for the year ended 31 December 2019
- Resolution 2 - to re-appoint David Fletcher as a director, although he will resign upon the AIM cancellation becoming effective.
- Resolution 3 – to appoint Claire Holdsworth as a director, conditional upon the AIM cancellation.
- Resolution 4 - to reappoint Grant Thornton UK LLP as auditors of the Company and to authorise the directors to determine their remuneration.
- Resolution 5 – to approve the AIM cancellation.
- Resolution 6 – to approve the re-registration and to adopt new articles of association suitable for a private limited company.

The resolutions were all passed and the cancellation, re-registration and adoption of the new articles of association received the approval of more than 75 per cent. of the votes cast by shareholders at the Annual General Meeting.

The Company cancelled the admission of its ordinary shares to trading on AIM at 7.00am on 10 December 2020 and the Company re-registered as a private limited company on 18 December 2020.

Upon the AIM cancellation becoming effective, SP Angel resigned as nominated adviser to the Company and the Company was no longer required to comply with the AIM Rules.

6. Asset Match

Following the AIM cancellation, there is no longer a public market mechanism for shareholders to trade in the Company's shares and there will not be a price publicly quoted for the shares. However, the

shares will remain freely transferable and a secondary market trading facility has been set up to give shareholders an opportunity to continue to trade the shares.

The Company has appointed Asset Match (www.assetmatch.com) to facilitate this “matched bargain facility.” This enables both existing shareholders and new investors to trade the Company’s shares by matching buyers and sellers through periodic auctions. Shareholders can register their interest in this facility by emailing info@assetmatch.com or dealing@assetmatch.com.

Asset Match is authorised and regulated by the Financial Conduct Authority. The trading facility operates under its own code of practice which governs the behaviour of participants and the running of the periodic auctions. It operates an open auction system where volumes of bids and offers at different prices are displayed on its website together with the closing date of the auction. At the end of each auction period Asset Match pass this information through a non-discretionary algorithm that determines a “market-derived” share price based on supply and demand and allocates transactions accordingly. Bids and offers may be made and withdrawn at any time before the closing date of each auction.

7. Board Composition

Following the AIM cancellation, Adrian Collins, David Facey and David Fletcher resigned from the Board and Claire Holdsworth joined the Board as its sole director. Lavinia Jessup has worked for the Company for 18 years and continues to provide accountancy support as well acting as the Company’s Company Secretary.

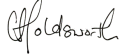
8. SPMP

The Company’s principal asset and focus of activities is its 16 per cent interest in SPMP. SPMP is an Omani company which in 2012 developed the concept of a modern antimony roasting and gold plant. SPMP is the first western-world minor metal primary smelter in forty years. Its smelter converts primary sulphide concentrates into antimony (Sb). Antimony is an important mineral commodity with a range of industrial applications. When the SPMP reaches full capacity, it will produce 20,000 tonnes of antimony and 50,000 ounces of gold per annum. In July 2019 SPMP announced production of its first antimony and in November 2019 SPMP announced the sale of its first batch of gold doré (Au). Further details about SPMP can be found on SPMP’s website at www.spmp.co.om

9. Shareholder Updates

Shareholder updates on SPMP will be posted regularly on the Company’s website at www.tri-starresources.com. If shareholders have any questions, please email either ir@tri-starresources.com or ceo@tri-starresources.com.

Yours faithfully

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Claire Holdsworth
Chief Executive Officer