

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** this year's Annual General Meeting of **Zanaga Iron Ore Company Limited** will be held at Adelaide House, London Bridge, London, EC4R 9HA, England on 23 July 2014 at 10.00 a.m. BST to consider and, if thought fit, approve the following resolutions, which will be proposed as ordinary and special resolutions as indicated below:

## Ordinary Resolutions

### Receipt of Accounts and Reports

- 1 To receive and adopt the Company's financial statements for the year ended 31 December 2013 together with the Directors' report and auditors' report on those accounts.

### Directors' Remuneration Report

- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2013.

### Re-election of Directors

- 3 To re-elect Michael John Haworth who retires by rotation as a Director of the Company.
- 4 To re-elect Colin John Harris who retires by rotation as a Director of the Company.

### Re-appointment of Auditors and Auditors' Remuneration

- 5 To authorise the Directors to appoint KPMG LLP as auditors of the Company to hold office from conclusion of the meeting to the conclusion of the next meeting at which accounts are to be laid before the Company.
- 6 To authorise the Directors to agree the Auditors' remuneration.

### 7 Authority to Issue Shares

**THAT**, for the purposes of the Articles of Association, the Directors be generally and unconditionally authorised to issue Relevant Securities:

- (a) up to 185,851,020 Shares and such number to be reduced by the number of any Relevant Securities issued under paragraph 7(b) below (the "**Rights Issue Allotment Number**" for the purposes of Regulation 3 of the Articles of Association for the Allotment Period (as defined below)) in connection with an offer by way of a rights issue:

(i) to holders of Shares in proportion (as nearly as may be practicable) to their respective holdings; and

(ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) in any other case, up to an aggregate number of 92,925,510 Shares (the "**Rights Issue Allotment Number**" for the purposes of Regulation 3 of the Articles of Association for the Allotment Period),

provided that this authority shall, unless renewed, varied or revoked by the Company, expire fifteen months after the passing of the resolutions or, if earlier, the date of the next annual general meeting of the Company (the "**Allotment Period**" for the purposes of Regulation 3 of the Articles of Association) save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be issued and the Directors may issue Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to issue Relevant Securities but without prejudice to any issuance of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

## Special Resolutions

### 8 Disapplication of Pre-emption Rights

**THAT**, for the purposes of the Articles of Association, subject to the passing of resolution 7:

- (a) the Directors be given the general power to issue equity securities (as defined by section 560 of the UK Companies Act) for cash, either pursuant to the authority conferred by resolution 7 or by way of a sale of treasury shares, as if Regulation 3 of the Articles of Association did not apply to any such issuance, provided that this power shall be limited to:

(i) the issue of equity securities in connection with an offer by way of a rights issue;

(ii) to the holders of equity securities in the Company in proportion (as nearly as may be practicable) to their respective holdings; and

(iii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

# Notice of Annual General Meeting continued

(b) the issuance (otherwise than pursuant to paragraph (a) above) of Relevant Securities up to 27,877,653 Shares of the Company at the date of this Notice (the **"Non-Pre-emptive Number"** for the purposes of Regulation 3 of the Articles of Association for the period set out in the next paragraph).

The power granted by this resolution will expire fifteen months after the passing of the resolutions or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to issue equity securities as if Regulation 3 of the Articles of Association did not apply but without prejudice to any issuance of equity securities already made or agreed to be made pursuant to such authorities.

## 9 Approval for on market purchases of Shares

**THAT**, for the purposes of and in accordance with Regulation 25.1 of the Articles of Association, the Company be generally and unconditionally authorised, subject to applicable laws, to make market purchases of Shares on such terms as the Directors think fit, provided that:

- (a) the maximum number of Shares hereby authorised to be purchased is 41,788,602;
- (b) the minimum price, exclusive of any expenses, which may be paid for a Share is £0.01;
- (c) the maximum price, exclusive of any expenses, which may be paid for each Share is an amount equal to the higher of: (a) 105 per cent of the average of the middle market quotations for a Share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the Share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
- (d) the authority hereby conferred shall, unless previously revoked or varied, expire on 23 October 2015 or, if earlier, the conclusion of the next annual general meeting of the Company (except in relation to the purchase of Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry).

## Proxies

As a shareholder of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. Please refer to notes on page 5.

## Holders of Depositary Interests

If you are a Holder of Depositary Interests you are requested to complete, sign and return your Form of Instruction instructing Computershare Company Nominees Limited. Please refer to notes on page 5.

By order of the board

Secretary: Elysium Fund Management Limited

Dated: 27 June 2014

Registered office: 2nd Floor, Wickham's Cay II, PO Box 2221, Road Town, Tortola, British Virgin Islands

## **DEFINITIONS**

The following definitions apply to the Notice of Annual General Meeting:

### **“Act”**

the BVI Business Companies Act, 2004 (No. 16 of 2004) as amended and includes the regulations made under the Act

### **“Articles of Association”**

the articles of association of the Company as amended from time to time

### **“Depository Interests”**

the interests representing Shares held through Computershare Investor Services PLC as depository

### **“Directors” or the “Board”**

the directors of the Company

### **“Employee Share Scheme”**

any scheme for providing incentives to employees and Directors involving share options, allocations or awards of shares, share appreciation rights or other similar matters involving shares or securities

### **“Form of Instruction”**

the form of instruction for holders of Depository Interests in connection with the Meeting of Shareholders

### **“Form of Proxy”**

the form of proxy for use by the Shareholders in connection with the Meeting of Shareholders

### **“Meeting of Shareholders” or “Meeting”**

the meeting of shareholders to be held at 10.00 a.m. BST on 23 July 2014, notice of which is set out at the beginning of this Document, or any adjournment of that meeting

### **“Notice”**

the notice of the Company's annual general meeting

### **“Relevant Securities”**

- (a) Shares other than Shares issued pursuant to:
- (i) an Employee Share Scheme;
  - (ii) a right to subscribe for Shares in the Company where the grant of the right itself constituted a relevant security; or
  - (iii) a right to convert securities into Shares where the grant of the right itself constituted a relevant security; and
- (b) any right to subscribe for or to convert any security into Shares in the Company other than rights to subscribe for or convert any security into Shares issued pursuant to an Employee Share Scheme
- References to the issuance of relevant securities include the grant of such right.

### **“Report and Accounts”**

the Company's annual accounts for the financial year ended 31 December 2013 together with the last directors' report and auditors' report on those accounts

### **“Resolutions”**

the resolutions set out in the Notice to be proposed at the Meeting of Shareholders

### **“Share”**

a share issued or to be issued by the Company

### **“Shareholders”**

registered holders of Shares in the Company

### **“UK Companies Act”**

the UK Companies Act 2006

### **“Zanaga” or the “Company”**

Zanaga Iron Ore Company Limited (incorporated and registered in the British Virgin Islands under the Act with registered number 1557213) whose registered office is at Coastal Building, 2nd Floor, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands

# Notice of Annual General Meeting continued

## Explanation of Resolution 1

The Shareholders are given the opportunity to receive and adopt the Report and Accounts.

## Explanation of Resolution 2

In accordance with best practice, Shareholders are given the opportunity to vote on whether or not they approve the Remuneration Report and this vote will be in respect of the content of the Remuneration Report and not specific to any Director's level or terms of remuneration. You can find the report on pages 31 to 34 of the Report and Accounts, and which are also available on our website at [www.zanagairon.com](http://www.zanagairon.com).

## Explanation of Resolution 3 and 4

The Articles of Association require one-third of the Directors to retire by rotation each year. In addition, any Director who would not otherwise be required to retire shall retire by rotation at the third AGM after his last appointment or reappointment. All retiring Directors have confirmed that they wish to stand for re-election at the Meeting. The Chairman is satisfied that following individual formal performance evaluations, the performance of each of the Directors standing for re-election continues to be effective and demonstrates commitment to each of their roles. Biographical details of all the Directors appear on page 23 of the Report and Accounts.

## Explanation of Resolutions 5 and 6

The Company's auditor KPMG Audit Plc, has instigated an orderly wind down of business. Resolutions 5 and 6 propose the appointment of KPMG LLP as auditors of the Company from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company and to authorise the Directors to set their remuneration.

## Explanation of Resolution 7

This resolution deals with the Directors' authority to issue Relevant Securities (as defined in the Notice) in accordance with Regulation 3 of the Articles of Association. The current authority to issue shares expires at the Meeting and the Directors are seeking a renewal of the current authorities given to them.

This resolution will, if passed, authorise the Directors to issue::

- (i) in relation to a pre-emptive rights issue only, Relevant Securities up to an aggregate of 185,851,020 Shares being approximately two thirds of the Company's issued shares (excluding treasury shares) as at the date of the Notice. This maximum is reduced by the number of any Relevant Securities issued under paragraph (ii) below; and
- (ii) in any other case, Relevant Securities up to an aggregate of 92,925,510 Shares being approximately one third of the Company's issued shares (excluding treasury shares) as at the date of the Notice.

As at close of business on the date preceding the Notice, the Company did not hold any treasury shares.

The authority granted by this resolution will expire fifteen months after the passing of the resolutions or, if earlier, the date of the next Annual General Meeting of the Company.

The Directors have no present intention to exercise this authority.

## Explanation of Resolution 8

This resolution deals with Directors' authority to issue Relevant Securities for cash without first offering them to existing Shareholders in proportion to their existing holdings. The current authority to disapply the pre-emption rights expires at the Meeting and the Directors are seeking a renewal of the current authorities given to them.

This resolution will, if passed, give the Directors power, subject to the passing of resolution 7, to issue equity securities (as defined by section 560 of the UK Companies Act) for cash either pursuant to the authority conferred by resolution 7 or, by way of a sale, sell treasury shares (if any) without first offering them to existing Shareholders in proportion to their existing holdings, provided that this power will be limited to:

- (i) the issue of equity securities in connection with any offer by way of a rights issue;
- (ii) the holders of equity securities in the Company in proportion (as nearly as may be practicable) to their respective holdings;
- (iii) to the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary; and
- (iv) in any other case, to the issuance of Relevant Securities up to an aggregate of 27,877,653 being equal to 10% of the Company's issued Shares as at the date of the Notice.

The power granted by this resolution will expire fifteen months after the passing of the resolutions or, if earlier, the date of the next annual general meeting of the Company.

The Directors have no present intention to exercise this authority.

#### **Explanation of Resolution 9**

This resolution seeks authority for the Company to make market purchases of its issued Shares and is proposed as a special resolution. If passed, the resolution gives authority for the Directors to purchase up to 41,788,602 Shares, representing just under 15% of the Company's issued share capital as at the date of this Notice.

The resolution specifies the minimum and maximum prices which may be paid for any Share purchased under this authority. The authority will expire on 23 October 2015 or, if earlier, the conclusion of the next annual general meeting of the Company.

The Directors intend to use the authority granted by this resolution when they consider that such purchases will be in the best interests of shareholders generally.

The Company may either cancel any Shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

The exercise of the authority granted pursuant to this resolution will have the effect of increasing the proportionate shareholding of its substantial shareholders (to the extent that they do not participate in any buy-back). However, even if exercised in full, the authority granted by this resolution will not result in any current substantial holders' interest exceeding 50 per cent. without it acquiring any additional Shares and, whilst the exercise of the authority will not trigger any obligation on any of the current Shareholders to make an offer pursuant to the Articles of Association, any acquisition of Shares would be subject to the mandatory offer requirements in the Articles of Association.

#### **Notes to the notice of annual general meeting**

- (i) Only members of the Company are entitled to attend and vote at the Meeting. A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote instead of him/her. A member of the Company may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company.
- (ii) A Form of Proxy for holders of Shares for use at the Meeting accompanies this document and, to be valid, must be completed and returned, together with any power of attorney or other authority under which it is signed, to Computershare Investor Services (Jersey) Limited, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In either case the Form of Proxy must be returned as soon as possible but in any event to be received not later than 10.00 a.m. BST on 21 July 2014 or 48 hours before any adjourned meeting.
- (iii) A Form of Instruction for holders of Depository Interests for use at the Meeting accompanies this document and, to be valid, must be completed and returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, England as soon as possible but in any event to be received not later than 10:00 a.m. BST on 20 July 2014 or 72 hours before any adjourned meeting.
- (iv) Completing a Form of Proxy does not prevent a shareholder from attending and voting in person if so entitled. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy to abstain on any particular resolution. However, it should be noted that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.
- (v) A shareholder must inform the Company's registrars in writing of any termination of the authority of a proxy.
- (vi) In the case of joint holders of Shares, the signature of only one of the joint holders is required on the Form of Proxy but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.
- (vii) To be entitled to attend and vote at the Meeting (for the purpose of the determination by the Company of the votes they may cast), a member of the Company must be entered in the register of members of the Company at 5.30 p.m. BST on 21 July 2014.
- (viii) During the Meeting there will be an opportunity for Shareholders, proxies or corporate representatives to ask questions relevant to the business of the Meeting.
- (ix) The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the Meeting from 9.30 a.m. BST on the day of the Meeting until the conclusion of the Meeting:
  - (A) copies of the letters of appointment (and other related documents) of the Non-Executive Directors; and
  - (B) the Articles of Association of the Company.

# Notice of Annual General Meeting continued

(x) Electronic proxy appointment through CREST

CREST members who wish to issue an instruction through the CREST electronic voting appointment service may do so for the Meeting to be held at 10.00 a.m. BST on 23 July 2014 and any adjournment(s) thereof 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.

In order for an instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited ("EUI")'s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes an instruction or is an amendment to a previously made instruction must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) not later than 72 hours before the time appointed for the Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp 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. After this time any change of instructions made through CREST should be communicated to the appointee through other means.

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 shall be 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. 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, as amended.

(xi) In accordance with the Articles of Association, all resolutions will be taken on a poll so as to accurately record the decision of all shareholders based on their shareholding interests in the Company.

(xii) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

(xiii) You may not use any electronic address provided either in this notice or in any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.



Zanaga Iron Ore Company Limited

2nd Floor Wickham's Cay II

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**[zanagairon.com](http://zanagairon.com)**