

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own professional advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are in the United Kingdom, should be authorised under the Financial Services and Markets Act 2000 (as amended), or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

If you have sold or otherwise transferred all your Old Tethyan Shares, please forward this document together with the accompanying documents (but excluding any personalised Forms of Proxy) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. These documents should not however be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Old Tethyan Shares, please retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and the accompanying documents in or into jurisdictions other than the United Kingdom and Canada may be restricted by the laws of those jurisdictions and therefore persons receiving this document and the accompanying documents should inform themselves about, and observe, any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

**No New Tethyan Shares have been marketed to, nor are any New Tethyan Shares available for purchase by, the public in the United Kingdom, Canada or elsewhere in connection with the Scheme and the introduction of the New Tethyan Shares to TSX-V. This document does not constitute an invitation or offer to sell or exchange, or the solicitation of an invitation or offer to buy or exchange, any security or to become a member of New Tethyan. None of the securities referred to in this document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of any applicable law.**

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# TETHYAN RESOURCES PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 3781581)*

## Notice of General Meeting

and

### Recommended proposals for the introduction of a new parent company by means of a scheme of arrangement under sections 895 to 899 of the Companies Act 2006

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**Shareholders of Old Tethyan should carefully read the whole of this document. In addition this document should be read in conjunction with the accompanying BLUE and WHITE Forms of Proxy. Your attention is drawn to the letter from the Chairman of Old Tethyan set out in Part 1 of this document, which contains the unanimous recommendation of the Directors of Old Tethyan that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting, and the Explanatory Statement set out in Part 2 of this document.**

Notices of the Court Meeting and the General Meeting, both of which will be held at the offices of Memery Crystal LLP, 165 Fleet Street, London, EC4A 2DY on 28 June 2019, are set out in Part 10 and Part 11 of this document. The Court Meeting will start at 11.15 a.m. and the General Meeting will start at 11.30 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).

Whether or not you intend to attend the Meetings in person, please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received as soon as possible and, in any event, by no later than 48 hours before the Court Meeting and General Meeting, as the case may be (or, in the case of an adjournment, 48 hours before the time fixed for the holding of the adjourned meeting). A reply-paid envelope has been provided for this purpose for use in the United Kingdom only. Forms of Proxy returned by fax or email will not be accepted.

Notwithstanding the above, if the BLUE Form of Proxy for the Court Meeting is not returned by the required time, it may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. Late proxies may be accepted or rejected by the Chairman of the Court Meeting at his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. However, in the case of the General Meeting, unless the WHITE Form of Proxy is returned by 11.30 a.m. on 26 June 2019, it will be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting in person at either of the Meetings if you so wish and are so entitled.

These securityholder materials are being sent to both registered and non-registered Shareholders in Canada. If you are a non-registered Shareholder in Canada, and Old Tethyan or its agent has sent these materials directly to you, your name and address and information about your holdings of Old Tethyan Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, Old Tethyan (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Old Tethyan has applied to the TSX-V to list the New Tethyan Shares for trading on the TSX-V. As soon as practicable following approval of the Shareholders and Court (satisfying the Conditions 1.1 and 1.2 of Part 3 of this document), Old Tethyan will provide notice to the TSX-V. Following this notice, the TSX-V will set the TSX-V Record Date, being the date for determining Scheme Shareholders entitled to receive New Tethyan Shares, which will be approximately seven trading days following such notice. The Distribution Date, for issuance of the New Tethyan Shares, will be as soon as practicable following the TSX-V Record Date. The TSX-V will issue a bulletin, and Old Tethyan will issue a news release, notifying Shareholders of the TSX-V Record Date and Distribution Date. As a result of the Scheme, New Tethyan will become a reporting issuer in British Columbia and Alberta.

You should read this document in its entirety and, if you are in any doubt as to the action you should take, consult an independent financial adviser. In making any investment decision, Shareholders must rely on their own examination of the terms of the Scheme, including the merits and risks involved. If you have any questions relating to this document, any of the Meetings or the completion and return of any of the Forms of Proxy, please contact Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

**Capitalised words and phrases used in this document have the meanings given to them in Part 9 of this document.**

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## **IMPORTANT NOTICE**

The distribution of this document and/or the accompanying documents in jurisdictions other than the United Kingdom and Canada may be restricted by law and therefore persons receiving this document and the accompanying documents should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this document nor the accompanying documents constitute an offer or an invitation to purchase any securities or a solicitation of an offer to sell any securities pursuant to these documents or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document and the accompanying documents have been prepared in connection with a proposal in relation to a scheme of arrangement pursuant to and for the purpose of complying with the laws of England and Wales and Canada and information disclosed in this document and the accompanying documents may not be the same as that which would have been prepared in accordance with laws of jurisdictions outside England and Wales and Canada. Nothing in this document or the accompanying documents should be relied on for any other purpose.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document will not give rise to any implication that there has been no change in the facts set forth herein since such date. Nothing contained herein will be deemed to be a forecast, projection or estimate of the future financial performance of the Enlarged Group.

No person has been authorised to make representations on behalf of the Old Tethyan or New Tethyan concerning the Scheme which are inconsistent with the statements contained herein and any such representations, if made, may not be relied upon as having been so authorised. The summaries of the principal provisions of the Scheme contained in this document are qualified in their entirety by reference to the Scheme itself, the full text of which is set out in Part 4 of this document. Each Shareholder is advised to read and consider carefully the text of the Scheme itself.

No person should construe the contents of this document as legal, financial or tax advice but should consult their own advisers in connection with the matters contained herein.

**This document does not constitute a prospectus or prospectus equivalent document.**

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document contains certain “forward-looking statements”, including statements about current beliefs and expectations of the Directors. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements are based on the Directors’ expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of Old Tethyan and New Tethyan’s financial performance. Although the Directors believe these expectations to be reasonable at the date of this document they may prove to be erroneous. Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. You are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Old Tethyan or New Tethyan or industry results to differ materially from those expressed or implied in forward-looking statements.

These factors include, but are not limited to, those described in the “Risk Factors” at Part 8 of this document.

Except as required by the TSX-V Rules or other applicable law, Old Tethyan is under no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

### **NOTICE TO OVERSEAS SHAREHOLDERS**

The implications of the Scheme for Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance

of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

Unless otherwise determined by New Tethyan, and permitted by applicable laws and regulations, the Scheme will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all other documents relating to the Scheme are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all other documents relating to the Scheme (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

This document has been prepared for the purposes of complying with the laws of England and Wales and Canada and the information disclosed may be different from that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England and Wales and Canada. Overseas Shareholders should consult their own legal and tax advisers with regard to the potential of any legal and/or tax consequences of the Scheme on their particular circumstances.

If, in respect of any Overseas Shareholders, New Tethyan is advised that the issue of New Tethyan Shares would or might infringe the laws of any jurisdiction outside the United Kingdom and Canada, or would or might require New Tethyan to obtain any governmental or other consent or effect any registration, filing or other formality, the Scheme provides that New Tethyan may determine that no New Tethyan Shares shall be issued to such holder but may instead be issued to a nominee appointed by New Tethyan as trustee for such holder, on terms that the nominee shall, as soon as practicable following the Distribution Date, sell the New Tethyan Shares so issued at the best price which can reasonably be obtained and shall account for the net proceeds of such sale (after deduction of all related expenses and commissions) to the holder of such Scheme Shares. Any remittance of the net proceeds of the sale referred to in this paragraph shall be at the risk of the relevant holder. Alternatively, New Tethyan may determine that the New Tethyan Shares shall be issued to that Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder's risk.

The availability of the Scheme to Shareholders who are not resident in the United Kingdom or Canada may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom or Canada should inform themselves of, and observe, any applicable requirements.

### **Information for US Shareholders**

The financial information included or referred to in this document has been prepared in accordance with International Financial Reporting Standards, which may not be comparable to the financial statements of US companies. US generally accepted accounting principles differ in certain respects from International Financial Reporting Standards. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Accounting Oversight Board (United States).

The Scheme relates to the shares in a company incorporated in England and is proposed to be made by means of a scheme of arrangement provided for under the company law of the England and Wales. The scheme of arrangement will relate to the shares of an English company that is a 'foreign private issuer' as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote, proxy and tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the England and Wales to schemes of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with International Financial Reporting Standards that may not be comparable to the financial statements of US companies.

The New Tethyan Shares to be issued under the Scheme have not been and will not be registered under the US Securities Act, or with any securities regulatory authority or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Tethyan Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New Tethyan Shares are expected to be issued in the United States in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

#### **PUBLICATION ON WEBSITE**

A copy of this document will be available free of charge, subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Old Tethyan's website at [www.tethyan-resources.com](http://www.tethyan-resources.com) during the course of the Scheme but should not be forwarded or transmitted in or into or from any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Scheme is sent or made available to Shareholders in that jurisdiction.

For the avoidance of doubt, neither the content of the website referred to above nor the content of any website accessible from hyperlinks on the website (or any other website) is incorporated into, or forms part of, this document.

## ACTION TO BE TAKEN

### VOTING AT THE COURT MEETING AND THE GENERAL MEETING

There will be two separate meetings of Shareholders: the Court Meeting and the General Meeting. Scheme Shareholders will be entitled to vote at the Court Meeting and all Shareholders will be entitled to vote at the General Meeting. The Court Meeting and the General Meeting will be held at the offices of Memery Crystal LLP at 165 Fleet Street, London EC4A 2DY on 28 June 2019 at 11.15 a.m. and 11.30 a.m. respectively (or, in the case of the General Meeting, if later, as soon as the Court Meeting has been concluded or adjourned). To be Effective the Scheme requires approval of the Scheme Resolutions to be tabled at both of these Meetings.

#### **Please check that you have received the following with this document:**

- a BLUE Form of Proxy for use in respect of the Court Meeting;
- a WHITE Form of Proxy for use in respect of the General Meeting; and
- a reply-paid envelope for use in the UK for the return of the Forms of Proxy.

If you have not received all of these documents, please contact the Old Tethyan's Registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. The solicitation of proxies is being made by management of Old Tethyan and will be made primarily by mail. Old Tethyan will bear the cost of solicitation.

#### **To vote on the Scheme:**

**The action to be taken by Shareholders in respect of the Meetings is set out in Part 1 of this document. Whether or not you plan to attend the Meetings, each eligible Shareholder is requested to complete and sign both the BLUE and WHITE Forms of Proxy and return them, in accordance with the instructions printed thereon, by mail or, during normal business hours only, by hand to Old Tethyan's Registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event so as to be received by no later than:**

- in respect of the BLUE Form of Proxy for the Court Meeting: 11.15 a.m. on 26 June 2019
- in respect of the WHITE Form of Proxy for the General Meeting: 11.30 a.m. on 26 June 2019

(or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting). A reply-paid envelope is provided for use in the UK only. Forms of Proxy returned by fax or email will not be accepted. The Scheme requires approval at both the Court Meeting and the General Meeting.

If you would like to vote online, please go to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Please refer to the BLUE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the Court Meeting and to the WHITE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the General Meeting.

Returning the Forms of Proxy will enable your votes to be counted at the Meetings in the event of your absence. If the BLUE Form of Proxy for use at the Court Meeting is not returned by 11.15 a.m. on 26 June 2019, it may be handed to the Chairman of the Court Meeting at the Court Meeting before the start of the Court Meeting. Late proxies will be rejected. However, in the case of the General Meeting, unless the WHITE Form of Proxy is returned by 11.30 a.m. on 26 June 2019, it will be invalid.

**The completion and return of a Form of Proxy will not prevent you from attending and voting in person at the relevant Meeting, or any adjournment thereof, should you wish to do so. If you are a registered Shareholder, you have the right to attend the Meetings or vote by proxy and to appoint a person or company other than the person designated in the Forms of Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meetings. You may do so either by inserting the name of that other person in the blank space provided in the Forms of Proxy or by completing and delivering another suitable form of proxy.**



Shareholders are encouraged to return their Forms of Proxy as soon as possible, to ensure they arrive before the relevant deadline. Non-Registered Canadian Shareholders should read “Information for Non-Registered Canadian Shareholders” below, as it contains important details on how to vote your Old Tethyan Shares.

### **To vote at the Meetings using a proxy appointment through CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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 a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Voting Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via <https://www.euroclear.com/about/en/business/Keylegaldocuments.html>). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent by 11.15 a.m. on 26 June 2019 in the case of the Court Meeting and by 11.30 a.m. on 26 June 2019 in the case of the General Meeting (or, if the Meetings are adjourned, no later than 48 hours before the time of the adjourned Meetings). 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 Application 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 to proxies appointed 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 Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Voting 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, to procure that his or her 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 connection with this, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

Old Tethyan may treat as invalid a CREST Proxy Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations.

### **Appointment of multiple proxies**

Shareholders are entitled to appoint a proxy in respect of some or all of their Old Tethyan Shares. Shareholders are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow you to specify the number of Old Tethyan Shares in respect of which that proxy is appointed. If you return a Form of Proxy duly executed but leave this space blank, you will be deemed to have appointed the proxy in respect of all of your Old Tethyan Shares. If you wish to appoint more than one proxy in respect of your shareholding you should contact Old Tethyan’s Registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY for further Forms of Proxy or photocopy the Form of Proxy as required. You should also read the section included in the Forms of Proxy headed “Notes” and note the principles that will be applied in relation to the appointment of multiple proxies.

### **Revocation of proxies**

Every Form of Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company or under its common seal; and
- (ii) delivered to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.15 a.m. on 26 June 2019 in the case of the Court Meeting and 11.30 a.m. on

26 June 2019 in the case of the General Meeting (or, if the Meetings are adjourned, no later than 48 hours before the time of the adjourned Meetings).

Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of authority) must be included with the revocation notice. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then your proxy appointment will remain valid. However, appointment of a proxy does not preclude you from attending the Meetings and voting in person. If you have appointed a proxy and attend the Meetings in person, your proxy appointment will automatically be terminated.

**Only registered Shareholders have the right to revoke a proxy. Non-Registered Canadian Shareholders who wish to change their vote must arrange for their respective Intermediaries to revoke the Form of Proxy on their behalf.**

### **Exercise of discretion by proxyholder**

If you vote by proxy, the person(s) named in the Forms of Proxy will vote or withhold from voting the Old Tethyan Shares represented thereby in accordance with your instructions. If you specify a choice with respect to any matter to be acted upon, your Old Tethyan Shares will be voted accordingly. The Forms of Proxy confer discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meetings; and
- (iv) exercise of discretion of the proxyholder.

**In respect of a matter for which a choice is not specified in the Forms of Proxy, the persons named in the Forms of Proxy will vote the Old Tethyan Shares represented by the Forms of Proxy for the approval of such matter.** The Board is not currently aware of any other matters that could come before the Meetings.

### **Information for Non-Registered Canadian Shareholders**

The following information is of significant importance to Non-Registered Canadian Shareholders. Old Tethyan has arranged to send meeting materials directly to Shareholders whose names appear on Old Tethyan's share register. Old Tethyan intends to pay for Intermediaries to forward the meeting materials to Non-Registered Canadian Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Old Tethyan Shares on their behalf (non-objecting beneficial owners), as well as those who have objected to their ownership information being disclosed by the Intermediary holding the Old Tethyan Shares on their behalf (objecting beneficial owners).

Non-Registered Canadian Shareholders should note that the only Forms of Proxy that can be recognized and acted upon at the Meetings are those deposited by registered Shareholders. If Old Tethyan Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Old Tethyan Shares will not be registered in the Shareholder's name on the records of Old Tethyan. Such Old Tethyan Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Old Tethyan Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

You will receive a request for voting instructions from your Intermediary. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge in the United States and in Canada.

If you are a Non-Registered Canadian Shareholder, you should carefully follow the instructions on the voting instruction form received from Broadridge in order to ensure that your Old Tethyan Shares are voted at the Meetings. The voting instruction form supplied to you will be similar to the Forms of Proxy provided to the



registered Shareholders by Old Tethyan. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Broadridge will name the same persons as Old Tethyan's proxy to represent you at the Meetings. **Although as a Non-Registered Canadian Shareholder you may not be recognized directly at the Meetings for the purposes of voting Old Tethyan Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meetings as proxyholder for your Intermediary and vote your Old Tethyan Shares in that capacity.** To exercise this right to attend the Meetings or appoint a proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meetings as proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Broadridge, you cannot use it to vote Old Tethyan Shares directly at the Meetings. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meetings in order to have the Old Tethyan Shares voted.**

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR SHAREHOLDER REPRESENTATION APPROVING THE SCHEME. SCHEME SHAREHOLDERS ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN THEIR FORMS OF PROXY AS SOON AS POSSIBLE.**

Shareholders are recommended to seek financial advice from their independent financial adviser duly authorised under the Financial Services and Markets Act 2000, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

**Date**

This document is dated 3 June 2019.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Proposal.

<i>Event</i>	<i>Time and/or date</i>
<b>Notice Record Time for Court Meeting and General Meeting</b>	<b>6.00 p.m. (Eastern Time) on 24 May 2019</b>
<b>Date of circulation of this document</b>	<b>3 June 2019</b>
<b>Last day and time for lodging BLUE Forms of Proxy for the Court Meeting</b>	<b>11.15 a.m. on 26 June 2019<sup>(1)</sup></b>
<b>Last day and time for lodging WHITE Forms of Proxy for the General Meeting</b>	<b>11.30 a.m. on 26 June 2019<sup>(1)</sup></b>
<b>Voting Record Time for the Court Meeting and the General Meeting</b>	<b>11.30 p.m. on 26 June 2019<sup>(2)</sup></b>
<b>Court Meeting</b>	<b>11.15 a.m. on 28 June 2019</b>
<b>General Meeting</b>	<b>11.30 a.m. on 28 June 2019<sup>(3)</sup></b>

*The following dates are subject to change (please see note (4) below):*

Scheme Court Hearing	4 July 2019
Effective Date	As soon as practicable after the TSX-V Record Date is set
TSX-V Record Date	To be determined <sup>(5)</sup>
Scheme Record Time	Close of business (Eastern Time) on the TSX-V Record Date
Distribution Date	As soon as practicable after the TSX-V Record Date <sup>(5)</sup>
Delisting of Old Tethyan Shares and commencement of trading of New Tethyan Shares on TSX-V	To be determined
Long Stop Date	31 July 2019 <sup>(6)</sup>

The Court Meeting and the General Meeting will each be held at the offices of Memery Crystal LLP, 165 Fleet Street, London EC4A 2DY.

### Notes:

- (1) It is requested that the BLUE Form of Proxy for the Court Meeting be lodged before 11.15 a.m. on 26 June 2019 (or in the case of any adjournment, 48 hours before the time fixed for the holding of the adjourned Meeting). BLUE Forms of Proxy not so lodged may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. Late proxies will be rejected. The WHITE Form of Proxy for the General Meeting must be lodged before 11.30 a.m. on 26 June 2019 in order for it to be valid, or, if the General Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned Meeting. The WHITE Form of Proxy cannot be handed to the Chairman of the General Meeting at that meeting. If you receive a voting instruction form from Broadridge, the Forms of Proxy must be completed and returned in accordance with the instructions provided well in advance of the Meetings.
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned Meeting will be 11.30 p.m. on the date two working days before the date set for the adjourned Meeting.
- (3) To commence at 11.30 a.m. or, if later, immediately after the conclusion of the Court Meeting or any adjournment thereof.
- (4) These times and dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme, when the Court Order approving the Scheme is delivered to the Registrar of Companies, and when the TSX-V Record Date is set by the TSX-V. Old Tethyan will give notice of any change(s) by issuing a news release and announcement.
- (5) As soon as practicable following satisfaction of the Conditions to the Scheme, including approval of the Shareholders and Court, Old Tethyan will provide notice to the TSX-V. Following this notice, the TSX-V will set the TSX-V Record Date, which will be approximately seven trading days following such notice. The Distribution Date will be as soon as practicable following the TSX-V Record Date. The TSX-V will issue a bulletin, and Old Tethyan will issue a news release, notifying Shareholders of the TSX-V Record Date and Distribution Date. Due bill trading procedures pursuant to the TSX-V Rules may apply in respect of the distribution of the New Tethyan Shares and, if applicable, a full explanation of such procedures will be given to Shareholders sufficiently in advance of the TSX-V Record Date.
- (6) The Scheme will become Effective on or as soon as practicable after the TSX-V Record Date is set. If the Scheme does not become Effective by 31 July 2019, the Scheme will lapse unless Old Tethyan and New Tethyan agree a later date and (if required) the Court so allows.

Unless otherwise stated, all references in this document to times are to times in London, England.

## Part 1

### LETTER FROM THE CHAIRMAN OF TETHYAN RESOURCES PLC



Registered Office:  
27-28 Eastcastle Street  
London  
W1W 8DH  
Email: info@tethyan-resources.com  
Web: tethyan-resources.com  
3 June 2019

Dear Shareholder

*Capitalised terms have the meaning ascribed to them in Part 9 of this document.*

It is my pleasure to extend to you, on behalf of the Directors of Tethyan Resources Plc, an invitation to attend (i) the Court Meeting, which has been convened for 11.15 a.m. on 28 June 2019 and is being held at the direction of the Court to seek the approval (with or without modification) for the introduction of a new parent company by means of a scheme of arrangement under sections 895 to 899 of the Companies Act 2006; and (ii) the General Meeting, which has been convened for 11.30 a.m. on 28 June 2019 (or as soon thereafter as the Court Meeting has been concluded or adjourned), to consider and, if thought fit, pass the Special Resolutions to authorise, among other things, the Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect.

#### The Scheme

On 21 May 2019, Old Tethyan announced its proposal to change the Group's corporate structure by putting in place a new company to be incorporated in the Province of British Columbia, Canada, as the parent company of the Enlarged Group.

In anticipation of the proposal mentioned above, a new company, Tethyan Resource Corp. was incorporated as a company with limited liability in British Columbia, Canada on 7 May 2019.

In order to effect the change in parent company, it is proposed that New Tethyan will acquire the entire issued share capital of Old Tethyan from the Shareholders. Each of the Shareholders at the time of the Scheme Record Time will receive one New Tethyan Share for each Old Tethyan Share transferred by them under the Scheme. No cash payment will be made. Further details of the terms are set out in Part 2 of this document.

If the Scheme becomes Effective, New Tethyan will become the new parent company of the Enlarged Group and the existing parent company, Old Tethyan, will become a wholly owned subsidiary of New Tethyan, re-registered as a private limited company as part of the Scheme and renamed Tethyan Resources Limited. It is expected that, subject to satisfaction or waiver (if capable of waiver) of the Conditions, the Effective Date will be as soon as practicable after the TSX-V Record Date is set. **If the Scheme becomes Effective, it will be binding on all Shareholders irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.** The expected transaction timetable is set out on page 10 of this document.

Upon the Distribution Date, certificates for Old Tethyan Shares held in certificated form will cease to be valid. Upon receipt of the New Tethyan Shares to which they are entitled in book-only form, Shareholders should destroy all existing certificates for their Old Tethyan Shares.

The New Tethyan Shares to be issued as consideration for the transfer of the Old Tethyan Shares will be common shares with no par value in the capital of New Tethyan, and will be issued free from all liens, charges, encumbrances and other third party rights and/or interests of any nature whatsoever.

Old Tethyan has applied to the TSX-V to list the New Tethyan Shares for trading on the TSX-V. As soon as practicable following approval of the Shareholders and Court (satisfying Conditions 1.1 and 1.2 of Part 3 of this document), Old Tethyan will provide notice to the TSX-V. Following this notice, the TSX-V will set the

TSX-V Record Date, being the date for determining Scheme Shareholders entitled to receive New Tethyan Shares, which will be approximately seven trading days following such notice. The Distribution Date, for issuance of the New Tethyan Shares, will be as soon as practicable following the TSX-V Record Date. The TSX-V will issue a bulletin, and Old Tethyan will issue a news release, notifying Shareholders of the TSX-V Record Date and Distribution Date. The Effective Date, on which the Scheme becomes binding, will occur on or as soon as practicable after the TSX-V Record Date is set.

Old Tethyan is a reporting issuer in the provinces of British Columbia and Alberta. As a result of the Scheme, New Tethyan will become a reporting issuer in British Columbia and Alberta, and Old Tethyan will file an application for an order that it has ceased to be a reporting issuer in Canada.

The implementation of the Scheme is subject to satisfaction or waiver (if capable of waiver) of the Conditions. The Directors will not take the necessary steps to implement the Scheme unless the Conditions have been satisfied or waived (if capable of waiver) and, at the relevant time, they consider that it continues to be in Old Tethyan's and the Shareholders' best interests that the Scheme should be implemented. If the Scheme has not become Effective by 31 July 2019 (or such later date as Old Tethyan and New Tethyan may agree and the Court may allow), it will lapse, in which event there will not be a new parent company of Old Tethyan and the existing Old Tethyan Shares will continue to be listed and traded on the TSX-V.

The Scheme will become Effective in accordance with its terms on delivery of a copy of the Court Order to the Registrar of Companies.

**All Shareholders (including, without limitation, nominees, trustees or custodians) who would, or otherwise intend to, forward this document and its accompanying documents to any jurisdiction outside the United Kingdom or Canada should seek appropriate independent professional advice before taking any action.**

Your attention is drawn to Part 5 of this document relating to United Kingdom and Canadian taxation. **Scheme Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom or Canada, are strongly advised to contact an appropriate independent professional tax adviser immediately.**

### **Background to and Reasons for the Scheme**

The management of Old Tethyan, which is currently domiciled in England and Wales, identified the Canadian capital markets as having numerous publicly-listed mineral exploration companies and investors that are familiar with mining and mineral exploration, providing access to capital. In September 2017, Tethyan's shares commenced trading on the TSX-V and, subsequently, the Company delisted its shares from AIM, a market operated by the London Stock Exchange plc. Canada's robust capital markets service the mining sector domestically and abroad, and have significant technical expertise, which supports the efficient operation of public mineral exploration companies such as the Group.

When investors purchase existing shares of a company incorporated in the UK, a tax (or stamp duty) of 0.5 per cent. is payable to HM Revenue and Customs Stamp Office, regardless of where the shares were purchased. The UK stamp duty tax is unfamiliar to many investors that purchase shares of UK-domiciled public companies which are listed on the TSX-V and, as a result, this creates an unexpected transaction cost to purchase shares. This stamp duty tax obligation places Old Tethyan at a disadvantage compared to non-UK-domiciled public exploration companies when attracting investors to purchase existing shares of the Company.

Old Tethyan's board of directors and management reviewed the UK stamp duty tax obligations, sought external advice and have concluded that it was in the best interest of shareholders as a whole and the Group to redomicile to British Columbia, Canada.

Although incorporated in England and Wales, the Old Tethyan Shares are not admitted to trading on a regulated market or multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man and Old Tethyan's place of central management and control is not considered by the Panel to be in the United Kingdom, the Channel Islands or the Isle of Man. As such the Takeover Panel has confirmed to Old Tethyan that the company is not subject to the City Code.

## **Meetings**

### ***The Court Meeting***

The Court Meeting, which has been convened for 11.15 a.m. on 28 June 2019, is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme (with or without modification). At the Court Meeting, voting will be by way of a poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders.

### ***The General Meeting***

The General Meeting has been convened for 11.30 a.m. on 28 June 2019 (or as soon thereafter as the Court Meeting has been concluded or adjourned), to consider and, if thought fit, pass the Special Resolution to:

- (1) authorise the Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (2) approve, conditional upon the Scheme becoming Effective, certain amendments to the Old Tethyan Articles (including as referred to below);
- (3) approve, conditional upon the Scheme becoming Effective, the re-registration of Old Tethyan as a private limited company; and
- (4) approve, conditional upon the Scheme becoming Effective, the listing of the Old Tethyan Shares on TSX-V being cancelled.

The Special Resolution will require votes in favour of not less than 75 per cent. of the votes cast by Shareholders voting in person or by proxy at the General Meeting in order to be passed.

### ***Amendments to the Old Tethyan Articles***

It is proposed that the Old Tethyan Articles be amended so as to ensure that any Old Tethyan Shares which are issued or transferred after the General Meeting but prior to the Scheme Record Time will be subject to and bound by the Scheme. Accordingly, it is also proposed that the Old Tethyan Articles be amended so that any Old Tethyan Shares issued or transferred to any person other than New Tethyan on or after the Scheme Record Time will automatically be acquired by New Tethyan in consideration for the issue by New Tethyan to such person of such number of New Tethyan Shares which would have been issued had such Old Tethyan Shares been Scheme Shares.

The proposed amendments to the Old Tethyan Articles are set out in full in the notice of the General Meeting in Part 11 of this document.

### ***Registered Shareholders***

Each holder of Old Tethyan Shares who is entered in Old Tethyan's register of members at the Voting Record Time will be entitled to attend and vote at the Court Meeting and the General Meeting. Each holder of Old Tethyan Shares who is entered in Old Tethyan's register of members at the Notice Record Time is entitled to notice of the Meetings.

### ***To vote at the Meetings***

Whether or not you intend to attend the Court Meeting and/or the General Meeting, you are requested to complete and sign the enclosed BLUE and WHITE Forms of Proxy and return them in accordance with the instructions printed on them. Completed Forms of Proxy should be returned, in accordance with the instructions printed thereon, by post or, during normal business hours only, by hand to Old Tethyan's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event, so as to be received by the times set out below:

- |  |                            |
|--|----------------------------|
| (1) BLUE Forms of Proxy for the Court Meeting    | 11.15 a.m. on 26 June 2019 |
| (2) WHITE Forms of Proxy for the General Meeting | 11.30 a.m. on 26 June 2019 |

(or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned Meeting).

If you would like to vote online, please go to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Please refer to the BLUE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the Court Meeting and to the WHITE Form of Proxy received by you for your Control Number and personal PIN to vote online in respect of the General Meeting.

If you hold your Old Tethyan Shares in uncertificated form, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual (please also refer to the notes to the notices of the Court Meeting and the General Meeting set out in Part 10 and Part 11 respectively of this document).

If you are a Non-Registered Canadian Shareholder, you should carefully follow the instructions on the voting instruction form received from Broadridge in order to ensure that your Old Tethyan Shares are voted at the Meetings. The voting instruction form must be completed and returned in accordance with its instructions well in advance of the Meetings in order to have the Old Tethyan Shares voted.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of the opinions of the Scheme Shareholders. Therefore, whether or not you intend to attend the Meetings, you are strongly urged to sign and return your Forms of Proxy for both the Court Meeting and the General Meeting as soon as possible.

**If you are in any doubt as to the action you should take, you should contact an independent financial adviser authorised under FSMA if you are in the UK or, if you are outside of the UK, an appropriately authorised independent financial adviser and/or legal adviser without delay.**

If you have any questions relating to the Meetings, this document or the completion and return of the Forms of Proxy, please address your questions in writing to Old Tethyan's Registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

### **Options and warrants**

Details of the outstanding Old Tethyan Options under the Old Tethyan 2017 Stock Option Plan are set out in paragraph 3.2 of Part 7 of this document. Following the Distribution Date, the Old Tethyan Options will be exchanged for options in New Tethyan, exercisable into New Tethyan Shares on the same terms as the Old Tethyan Options. New Tethyan will adopt a stock option plan that is identical to the Old Tethyan 2017 Stock Option Plan. Following the Distribution Date, certificates for Old Tethyan Options will cease to be valid. Upon receipt of certificates for options in New Tethyan, Old Tethyan optionholders should destroy all existing certificates for their Old Tethyan Options.

Following the Distribution Date, outstanding Old Tethyan Warrants in Old Tethyan will continue to be exercisable in accordance with their terms, with New Tethyan Shares to be issued to the warrant holder on exercise of such Old Tethyan Warrants. Further details of the terms of the Old Tethyan Warrants are set out in paragraph 4 of Part 7 of this document.

### **Overseas shareholders**

The availability of the Scheme or the release, publication or distribution of this document to persons not resident in the United Kingdom or Canada may be prohibited or affected by the laws of the relevant jurisdictions. Such persons should inform themselves about, and observe any applicable requirements. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this document nor the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. Nothing in this document or the accompanying documents should be relied upon for any other purpose.



The implications of the Scheme for Overseas Shareholders may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

**All Shareholders (including, without limitation, nominees, trustees or custodians) who would, or otherwise intend to, forward this document and its accompanying documents to any jurisdiction outside the United Kingdom or Canada should seek appropriate independent professional advice before taking any action.**

#### **Action to be taken**

Notices convening the Court Meeting and General Meeting are set out at the end of this document. You will find enclosed with this document a blue Form of Proxy for use at the Court Meeting and a white Form of Proxy for use at the General Meeting.

**Whether or not you intend to be present at either meeting, you are requested to complete and return both the enclosed Forms of Proxy for the Court Meeting (blue) and for the General Meeting (white) in accordance with the instructions printed on the forms, make an electronic appointment of a proxy or submit a proxy via CREST as soon as possible.**

Further details in relation to the action to be taken by Shareholders is set out on page 6 of this document.

#### **Recommendation**

The Directors have unanimously approved the terms of the Scheme as they consider the terms of the Scheme to be fair and reasonable and recommend that you vote in favour of the Scheme as set out in this document. Accordingly, the Directors who are Shareholders have unanimously agreed to vote or procure votes in favour of the Scheme at the Court Meeting and General Meeting in respect of their beneficial holdings of, in aggregate, 26,573,131 Old Tethyan Shares, representing 33.04 per cent. of the existing ordinary share capital of Old Tethyan. Further details of these irrevocable undertakings are contained in paragraph 10 of Part 7 of this document.

Part 4 of this document contains a detailed description of the Scheme. The Directors urge you to carefully consider all of the information contained in this document.

On behalf of Old Tethyan, I would like to thank you for your ongoing support.

Yours faithfully

*“Richard Warke”*

-----  
**Richard Warke**  
*Executive Chairman*

## Part 2

### EXPLANATORY STATEMENT

#### **To: Shareholders**

Dear Shareholder

#### **Recommended offer for New Tethyan by Old Tethyan to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006**

#### **1. Introduction**

On 21 May 2019, Old Tethyan announced its proposal to change the Group's corporate structure by putting in place a new company to be incorporated in the Province of British Columbia, Canada, as the parent company of the Enlarged Group. In anticipation of the proposal mentioned above, a new company, Tethyan Resource Corp., was incorporated as a company with limited liability in British Columbia, Canada on 7 May 2019. It is intended that the proposals will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The Scheme will not be subject to the City Code.

#### **2. Summary of the terms of the transaction**

In order to effect the change, it is proposed that New Tethyan will acquire the entire issued share capital of Old Tethyan from the Scheme Shareholders. Each of the Scheme Shareholders will receive one New Tethyan Share for each Old Tethyan Share transferred under the Scheme.

If the Scheme becomes Effective, New Tethyan will become the new parent company of the Enlarged Group and Old Tethyan will become a wholly-owned subsidiary of New Tethyan, be re-registered as a private limited company and be renamed Tethyan Resources Limited. It is expected that, subject to satisfaction or waiver (if capable of waiver) of the Conditions, the Effective Date will be as soon as practicable after the TSX-V Record Date is set. **If the Scheme becomes Effective, it will be binding on all Shareholders irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.** The expected transaction timetable is set out on page 10 of this document.

Upon the Distribution Date, certificates for Old Tethyan Shares held in certificated form will cease to be valid. Upon receipt of the New Tethyan Shares to which they are entitled in book-only form, Shareholders should destroy all existing certificates for their Old Tethyan Shares.

The New Tethyan Shares to be issued as consideration for the Scheme will be common shares with no par value in the capital of New Tethyan, and will be issued free from all liens, charges, encumbrances and other third party rights and/or interests of any nature whatsoever.

Old Tethyan has applied to the TSX-V to list the New Tethyan Shares for trading on the TSX-V. As soon as practicable following approval of the Shareholders and Court (satisfying the Conditions 1.1 and 1.2 of Part 3 of the Scheme), Old Tethyan will provide notice to the TSX-V. Following this notice, the TSX-V will set the TSX-V Record Date, being the date for determining Scheme Shareholders entitled to receive New Tethyan Shares, which will be approximately seven trading days following such notice. The Distribution Date, for issuance of the New Tethyan Shares, will be as soon as practicable following the TSX-V Record Date. The TSX-V will issue a bulletin, and Old Tethyan will issue a news release, notifying Shareholders of the TSX-V Record Date and Distribution Date. The Scheme will become Effective when the Scheme Court Order is delivered to the UK Registrar of Companies. The Effective Date will occur on or as soon as practicable after the TSX-V Record Date is set.

Old Tethyan is a reporting issuer in the provinces of British Columbia and Alberta. As a result of the Scheme, New Tethyan will become a reporting issuer in British Columbia and Alberta, and Old Tethyan will file an application for an order that it has ceased to be a reporting issuer in Canada.

The implementation of the Scheme is subject to satisfaction or waiver (if capable of waiver) of the Conditions. The Directors will not take the necessary steps to implement the Scheme unless the Conditions have been

satisfied or waived (if capable of waiver) and, at the relevant time, they consider that it continues to be in Old Tethyan's and the Shareholders' best interests that the Scheme should be implemented. If the Scheme has not become Effective by 31 July 2019 (or such later date as Old Tethyan and New Tethyan may agree and the Court may allow), it will lapse, in which event there will not be a new parent company of Old Tethyan, Shareholders will remain shareholders of Old Tethyan and the existing Old Tethyan Shares will continue to be listed and traded on the TSX-V.

The Scheme will become Effective in accordance with its terms on delivery of a copy of the Court Order to the Registrar of Companies.

### **3. Background to and Reasons for the Scheme**

The management of Old Tethyan, which is currently domiciled in England and Wales, identified the Canadian capital markets as having numerous publicly-listed mineral exploration companies and investors that are familiar with mining and mineral exploration, providing access to capital. In September 2017, Tethyan's shares commenced trading on the TSX-V and, subsequently, the Company delisted its shares from AIM, a market operated by the London Stock Exchange plc. Canada's robust capital markets service the mining sector domestically and abroad, and have significant technical expertise, which supports the efficient operation of public mineral exploration companies such as the Group.

When investors purchase existing shares of a company incorporated in the UK, a tax (or stamp duty) of 0.5 per cent. is payable to HM Revenue and Customs Stamp Office, regardless of where the shares were purchased. The UK stamp duty tax is unfamiliar to many investors that purchase shares of UK-domiciled public companies which are listed on the TSX-V and, as a result, this creates an unexpected transaction cost to purchase shares. This stamp duty tax obligation places Old Tethyan at a disadvantage compared to non-UK-domiciled public exploration companies when attracting investors to purchase existing shares of the Company.

Old Tethyan's board of directors and management reviewed the UK stamp duty tax obligations, sought external advice and have concluded that it was in the best interest of shareholders as a whole and the Group to redomicile to British Columbia, Canada.

Although incorporated in England and Wales, the Old Tethyan Shares are not admitted to trading on a regulated market or multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man and Old Tethyan's place of central management and control is not considered by the Panel to be in the United Kingdom, the Channel Islands or the Isle of Man. As such the Takeover Panel has confirmed to Old Tethyan that the company is not subject to the City Code.

### **4. Irrevocable undertakings**

Old Tethyan has obtained irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and General Meeting as follows:

Richard William Warke (a Director who holds Old Tethyan Shares) and his related interest have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and General Meeting in respect of Old Tethyan Shares, being in aggregate a total of 12,750,000 Old Tethyan Shares, representing 15.86 per cent. of the existing ordinary share capital of Old Tethyan on the Last Practicable Date.

Radomir Vukcevic (a Director who holds Old Tethyan Shares) and his related interest have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and General Meeting in respect of Old Tethyan Shares, being in aggregate a total of 11,430,000 Old Tethyan Shares, representing 14.21 per cent. of the existing ordinary share capital of Old Tethyan on the Last Practicable Date.

Donald Richard Taylor (a Director who holds Old Tethyan Shares) and his related interest have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and General Meeting in respect of Old Tethyan Shares, being in aggregate a total of 500,000 Old Tethyan Shares, representing 0.62 per cent. of the existing ordinary share capital of Old Tethyan on the Last Practicable Date.

Fabian Nikolaus Baker (a Director who holds Old Tethyan Shares) and his related interest have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and General Meeting in respect of Old

Tethyan Shares, being in aggregate a total of 243,131 Old Tethyan Shares, representing 0.30 per cent. of the existing ordinary share capital of Old Tethyan on the Last Practicable Date.

Jerrold Annett (a Director who holds Old Tethyan Shares) and his related interest have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and General Meeting in respect of Old Tethyan Shares, being in aggregate a total of 1,650,000 Old Tethyan Shares, representing 2.05 per cent. of the existing ordinary share capital of Old Tethyan on the Last Practicable Date.

## **5. Scheme and General Meetings**

### ***The Scheme***

It is intended that the Proposal will be effected by way of the Scheme. The Scheme is an arrangement made between Old Tethyan and the Scheme Shareholders under Part 26 of the Companies Act.

The Scheme involves an application by Old Tethyan to the Court to sanction the Scheme pursuant to which the Scheme Shares will be transferred to New Tethyan, in consideration for which Shareholders on the register of members of Old Tethyan as at the Scheme Record Time will receive one New Tethyan Share from New Tethyan for each Old Tethyan Share they held in Old Tethyan. The transfer of the Scheme Shares to New Tethyan, provided for in the Scheme, will result in all of the Old Tethyan Shares being held by New Tethyan.

Prior to the Scheme Record Time, Old Tethyan may allot and issue Old Tethyan Shares pursuant to the exercise of the Old Tethyan's Options under the Old Tethyan 2017 Stock Option Plan. Old Tethyan will not issue any shares after the Scheme Record Time until the Distribution Date. Any Old Tethyan Shares issued on or before the Scheme Record Time will be subject to the terms of the Scheme.

It is expected that the Scheme will become Effective as soon as practicable after the TSX-V Record Date is set, subject to the satisfaction or (where applicable) waiver of the Conditions.

The Scheme is subject to approval by the Scheme Shareholders at the Court Meeting and General Meeting. **You will find Notices of the Court Meeting and the General Meeting set out at the end of this document in Part 10 and Part 11 of this document.**

### ***The Court Meeting***

The Court Meeting, which has been convened for 11.15 a.m. on 28 June 2019, is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme (with or without modification). At the Court Meeting, voting will be by way of a poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders.

**It is important that, for the court meeting, as many votes as possible are cast so that the court may be satisfied that there is a fair representation of opinion of the Scheme Shareholders. You are therefore urged to complete and return your form of proxy, make an electronic appointment of a proxy or submit a proxy via CREST as soon as possible.**

### ***The General Meeting***

The General Meeting has been convened for 11.30 a.m. on 28 June 2019 (or as soon thereafter as the Court Meeting has been concluded or adjourned), to consider and, if thought fit, pass the Special Resolution to:

- (1) authorise the Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (2) approve certain amendments to the Old Tethyan Articles (including as referred to below);
- (3) approve, conditional upon the Scheme becoming effective, the re-registration of Old Tethyan as a private limited company; and
- (4) approve, conditional upon the Scheme becoming effective, the listing of the Old Tethyan Shares on TSX-V being cancelled.

The Special Resolution will require votes in favour of not less than 75 per cent. of the votes cast by Shareholders voting in person or by proxy at the General Meeting in order to be passed.

### ***Amendments to the Old Tethyan Articles***

It is proposed that the Old Tethyan Articles be amended so as to ensure that any Old Tethyan Shares which are issued or transferred after the General Meeting but prior to the Scheme Record Time will be subject to and bound by the Scheme. Accordingly, it is also proposed that the Old Tethyan Articles be amended so that any Old Tethyan Shares issued or transferred to any person other than New Tethyan on or after the Scheme Record Time will automatically be acquired by New Tethyan in consideration for the issue by New Tethyan to such person of such number of New Tethyan Shares which would have been issued had such Old Tethyan Shares been Scheme Shares.

The proposed amendments to the Old Tethyan Articles are set out in full in the notice of the General Meeting in Part 11 of this document.

### *Registered Shareholders*

Each holder of Old Tethyan Shares who is entered in Old Tethyan's register of members at the Voting Record Time will be entitled to attend and vote at the Court Meeting and the General Meeting. Each holder of Old Tethyan Shares who is entered in Old Tethyan's register of members at the Notice Record Time is entitled to notice of the Meetings.

## **6. Director Interest**

Details of the interests of the Directors are contained in paragraph 6 of Part 7 of this document.

## **7. Settlement**

Old Tethyan has two separate registers of holders of Old Tethyan Shares, the UK Register, which is maintained by Computershare UK and the Canadian Register, which is maintained by Computershare Canada. Settlement will be affected by which register Scheme Shareholders appear on and how their Scheme Shares are held. However, regardless of whether Shareholders appear on the UK Register or Canadian Register, and how their Scheme Shares are held, Scheme Shareholders do not need to send in documentation to effect the issuance of New Tethyan Shares. Such shares will be issued to Scheme Shareholders in accordance with their information as appears on such registers at the Scheme Record Time. Following the Distribution Date, New Tethyan will maintain a register of New Tethyan Shareholders with Computershare Canada only.

Settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which New Tethyan may otherwise be or claim to be, entitled against any such Scheme Shareholder.

### **(a) *Scheme Shares held by Scheme Shareholders on the UK Register in uncertificated form (that is, in CREST)***

For Scheme Shareholders who hold their Scheme Shares on the UK Register in uncertificated form in CREST, such Scheme Shares will be disabled in CREST on the TSX-V Record Date. The Scheme Shares will be removed from CREST on the TSX-V Record Date, and on the Distribution Date such Scheme Shareholders will be issued the New Tethyan Shares to which they are entitled. The New Tethyan Shares will be issued in book-only form. As soon as practicable following the Distribution Date, Computershare Canada will mail a DRS Advice documenting the New Tethyan Shares such Scheme Shareholder holds. Scheme Shareholders wishing to deposit their New Tethyan Shares electronically with CDS will need to contact their brokers to arrange for deposit of those shares following receipt of their DRS Advice. Temporary documents of title will not be issued and transfer of New Tethyan Shares by such Scheme Shareholders will not be permitted until they receive their DRS Advice and effect such transfer in accordance with the directions on their DRS Advice. **Accordingly, Shareholders holding Scheme Shares in uncertificated form on the UK Register should be aware that there will be a delay in their ability to deal with their New Tethyan Shares until after they receive their DRS Advice.**

(b) ***Scheme Shares held by Scheme Shareholders in certificated form (that is, not in CREST, CDS or book-only form)***

For Scheme Shareholders who hold their Scheme Shares in certificated form, such certificates will be null, void and of no further force and effect on the Distribution Date. Such Scheme Shareholders will be issued the New Tethyan Shares to which they are entitled in book-only form. As soon as practicable following the Distribution Date, Computershare Canada will mail a DRS Advice documenting the New Tethyan Shares such Scheme Shareholder holds. Temporary documents of title will not be issued and the transfer of New Tethyan Shares by such Scheme Shareholders will not be permitted until they receive their DRS Advice and effect such transfer in accordance with the directions on their DRS Advice. **Accordingly, Shareholders holding Scheme Shares in certificated form should be aware that there will be a delay in their ability to deal with their New Tethyan Shares until after they receive their DRS Advice.**

(c) ***Scheme Shares held by Scheme Shareholders on the Canadian Register in uncertificated form (that is, in CDS or book-only form)***

New Tethyan will apply for the New Tethyan Shares to be admitted to CDS, so that settlement of transactions in New Tethyan Shares on the Distribution Date can take place in uncertificated form within the CDS system. For Scheme Shareholders who hold their Scheme Shares in uncertificated form through CDS on the Scheme Record Date, New Tethyan Shares to which the Scheme Shareholder is entitled will automatically be issued in uncertificated form through CDS.

Where Scheme Shares are held in book-only form with Computershare Canada, the exchange of New Tethyan Shares for the Scheme Shares will be made automatically by Computershare Canada on the Distribution Date. As soon as practicable following the Distribution Date, Computershare Canada will mail a DRS Advice documenting the New Tethyan Shares such Scheme Shareholder holds, however, Scheme Shareholders can continue to use the information on their existing DRS Advice to deal with their New Tethyan Shares.

(d) ***General***

All documents sent to Shareholders in accordance with the above paragraphs will be sent at the risk of the person entitled thereto.

## **8. Options and Warrants**

The outstanding Old Tethyan Options under the Old Tethyan 2017 Stock Option Plan are set out in paragraph 3.2 of Part 7 of this document. Following the Distribution Date, the Old Tethyan Options will be exchanged for options in New Tethyan, exercisable into New Tethyan Shares on the same terms as the Old Tethyan Options. New Tethyan will adopt a stock option plan that is identical to the Old Tethyan 2017 Stock Option Plan. Following the Distribution Date, certificates for Old Tethyan Options will be null, void and of no further force and effect. New Tethyan will issue new certificates for Options in New Tethyan to option holders, and upon receipt of such certificates, Old Tethyan option holders should destroy all existing certificates for their Old Tethyan Options.

Following the Distribution Date, outstanding Old Tethyan Warrants will continue to be exercisable in accordance with their terms, with New Tethyan Shares to be issued to the warrant holder on exercise of such Old Tethyan Warrants. Further details of the terms of the Old Tethyan Warrants are set out in paragraph 4 of Part 7 of this document.

## **9. UK and Canadian Taxation**

Your attention is drawn to Part 5 of this document, which contains a summary of certain UK and Canadian tax-related information relevant to certain Shareholders. That summary does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme. If you are in any doubt about your own tax position, and in particular if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriately qualified independent professional adviser immediately.



## **10. Action to be taken**

Notices convening the Court Meeting and General Meeting are set out at the end of this document. You will find enclosed with this document a blue Form of Proxy for use at the Court Meeting and a white Form of Proxy for use at the General Meeting.

**Whether or not you intend to be present at either meeting, you are requested to complete and return both the enclosed Forms of Proxy for the Court Meeting (blue) and for the General Meeting (white) in accordance with the instructions printed on the forms, make an electronic appointment of a proxy or submit a proxy via CREST as soon as possible.**

Further details in relation to the action to be taken by Shareholders is set out on page 6 of this document.

## Part 3

### CONDITIONS AND FURTHER TERMS OF THE SCHEME

#### Section A: Conditions to the Scheme

1. The implementation of the Scheme is conditional upon the following having occurred:
  - 1.1 approval of the Scheme by Shareholders holding a majority in number, representing 75 per cent. or more in value of the Scheme Shares (or the relevant class or classes thereof) who are on the register of members of Old Tethyan at the Voting Record Time, present and voting, either in person or by proxy, at the Court Meeting (or at any adjournment of such meeting) and such meeting being held on or before 28 June 2019 (or such later date as may be agreed upon by New Tethyan and Old Tethyan, with the consent of the Court, if required);
  - 1.2 all resolutions required to implement the Scheme as set out in the notice of the General Meeting being duly passed by the requisite majority at the General Meeting (or at any adjournment of such meeting) and such meeting being held on or before 28 June 2019 (or such later date as may be agreed upon by New Tethyan and Old Tethyan, with the consent of the Court, if required) and:
    - (a) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to New Tethyan and Old Tethyan);
    - (b) the Scheme Court Hearing being held on or before 4 July 2019 (or such later date as may be agreed by New Tethyan and Old Tethyan);
  - 1.3 as soon as practical following the conditions set out in paragraphs 1.1 and 1.2 being passed, notice being given by New Tethyan to the TSX-V to set the TSX-V Record Date, and TSX-V setting the TSX-V Record Date, which will be approximately seven trading days following such notice being given.
2. The Scheme shall lapse unless the Scheme has become Effective on or before 5.00 p.m. on the Long Stop Date or such later date (if any) as New Tethyan and Old Tethyan may agree upon and (if required) the Court may approve.

#### Section B: Further Terms of the Scheme

1. The Scheme will be on the terms and will be subject, amongst other things, to the Conditions which are set out in this document and accompanying Forms of Proxy. In addition, the Scheme will be subject to the applicable requirements of the TSX-V Rules, and the Companies Act. The Scheme and any dispute or claim arising out of or in connection with the Scheme, whether of a contractual or non-contractual matter, shall be governed by and construed in accordance with the laws of England and Wales and subject to the jurisdiction of the courts of England and Wales.
2. The Directors will not take the necessary steps to implement the Scheme unless the Conditions have been satisfied or waived (if capable of waiver) by New Tethyan and, at the relevant time, they consider that it continues to be in Old Tethyan's and the Shareholders' best interests that the Scheme should be implemented.
3. The availability of the Scheme to persons not resident in the UK or Canada may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the UK or Canada should inform themselves about and observe any applicable requirements.

**Part 4**

**THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE**

**No. CR-2019-003088**

**CHANCERY DIVISION**

**COMPANIES HOUSE**

**IN THE MATTER OF TETHYAN RESOURCES PLC**

and

IN THE MATTER OF THE COMPANIES ACT 2006

**SCHEME OF ARRANGEMENT**

(under Part 26 of the Companies Act 2006) between

**TETHYAN RESOURCES PLC**

and

**THE HOLDERS OF SCHEME SHARES**

(as hereinafter defined)

**PRELIMINARY**

**1. In this Scheme, the following expressions have the meanings stated, unless they are inconsistent with the subject or context:**

<b>“BC Corporations Act”</b>	the <i>Business Corporations Act</i> (British Columbia) S.B.C. 2001 c. 57 (as amended from time to time);
<b>“business day”</b>	a day on which TSX-V is open for the transaction of business;
<b>“Canadian Register”</b>	the sub-register of holders of Old Tethyan Shares maintained by Computershare Canada;
<b>“CDS”</b>	the Canadian Depository for Securities Limited;
<b>“certificated” or “in certificated form”</b>	a share which is not in uncertificated form (that is, not held in CREST, CDS or by Computershare in book-only form);
<b>“Companies Act”</b>	the Companies Act 2006, as amended from time to time;
<b>“Computershare Canada”</b>	Computershare Investor Services Inc., being the registrar and transfer agent for New Tethyan and co-agent for Old Tethyan;
<b>“Computershare UK”</b>	Computershare Investor Services Plc, being the registrar and transfer agent for Old Tethyan;
<b>“Court”</b>	the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD);
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court under Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving this Scheme;

<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations) of which Euroclear is the Operator (as defined in the Uncertificated Securities Regulations);
<b>“Distribution Date”</b>	the date on which New Tethyan Shares will be issued to Scheme Shareholders pursuant to the Scheme;
<b>“DRS Advice”</b>	a Direct Registration System Advice, being a record of registered securities held in electronic form through the Direct Registration System by Computershare Canada;
<b>“Eastern Time”</b>	the time in Toronto, Ontario, Canada;
<b>“Effective”</b>	the Scheme having become effective pursuant to its terms;
<b>“Effective Date”</b>	the date on which this Scheme becomes Effective in accordance with clause 8 of this Scheme;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“General Meeting”</b>	the general meeting of the Shareholders convened to be held at 11.30 a.m. on 28 June 2019 (or as soon thereafter as the Court Meeting shall have been concluded), notice of which is set out in Part 11 of this document (including any adjournment thereof);
<b>“Holder”</b>	a registered holder of Old Tethyan Shares including a person entitled by transmission;
<b>“Last Practicable Date”</b>	29 May 2019;
<b>“New Tethyan”</b>	Tethyan Resource Corp. was incorporated on 7 May 2019 in the Province of British Columbia, Canada, with registered number BC1207836 and having its registered office at Suite 1200 – 750 West Pender Street, Vancouver, BC, V6C 2T8;
<b>“New Tethyan Shares”</b>	common shares in the capital of New Tethyan proposed to be issued and credited as fully paid pursuant to the Scheme;
<b>“Old Tethyan”</b>	Tethyan Resources plc, incorporated in England and Wales with company registration number 3781581;
<b>“Old Tethyan Shares”</b>	together, ordinary shares of 0.6 pence each in the capital of Old Tethyan;
<b>“Overseas Shareholders”</b>	Shareholders who are resident in, or nationals or citizens of, jurisdictions outside the UK and Canada or who are nominees of, or custodians or trustees for, residents, citizens or nationals of other countries;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Scheme is sent or made available to Scheme Shareholders in that jurisdiction, or the New Tethyan Shares are made available to Scheme Shareholders in the jurisdiction;
<b>“Restricted Overseas Shareholder”</b>	a Scheme Shareholder with a registered address in, or who is a citizen, resident or national of, a Restricted Jurisdiction;

<b>“Scheme”</b>	this scheme of arrangement under Part 26 of the Companies Act between Old Tethyan and the Scheme Shareholders in its present form or with or subject to any modification, addition or condition which Old Tethyan and New Tethyan may agree and, if required, the Court may approve or impose;
<b>“Scheme Court Hearing”</b>	the hearing at which the Scheme Court Order is made;
<b>“Scheme Court Order” or “Court Order”</b>	the order of the Court granted at the Scheme Court Hearing to sanction the Scheme under Part 26 of the Companies Act;
<b>“Scheme Record Time”</b>	close of business (Eastern Time) on the TSX-V Record Date;
<b>“Scheme Shareholders”</b>	holders of Scheme Shares;
<b>“Scheme Shares”</b>	the aggregate of: <ul style="list-style-type: none"> <li>(i) the Old Tethyan Shares in issue at the date of this document;</li> <li>(ii) the Old Tethyan Shares (if any) issued after the date of this document and prior to the Voting Record Time; and</li> <li>(iii) the Old Tethyan Shares (if any) issued on or after the Voting Record Time and prior to the Scheme Record Time either on terms that the original Holder or any subsequent Holder thereof shall be bound by this Scheme or in respect of which the Holder thereof shall have agreed in writing to be bound by this Scheme;</li> </ul>
<b>“subsidiary”</b>	has the meaning ascribed to it in the Companies Act;
<b>“Tethyan Shares”</b>	common shares in the capital of New Tethyan;
<b>“trading day”</b>	any day on which shares are traded on the TSX-V;
<b>“TSX-V”</b>	TSX Venture Exchange;
<b>“TSX-V Record Date”</b>	the date for determining Scheme Shareholders entitled to receive New Tethyan Shares;
<b>“UK Register”</b>	the register of holders of Old Tethyan Shares maintained by Computershare UK;
<b>“Uncertificated Securities Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No.3755) (as amended from time to time);
<b>“uncertificated” or “in uncertificated form”</b>	a share or security recorded on the relevant register as being held in uncertificated form in CREST, CDS or by Computershare in book-only form; and
<b>“Voting Record Time”</b>	11.30 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 11.30 p.m. on the day which is two days before the date of such adjourned meeting.

- References to “clauses” are to clauses of this Scheme and, save for the definition of ‘business day’ as defined above, references to time are to London, United Kingdom time. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.
- It is proposed that New Tethyan will be represented by Old Tethyan’s counsel at the Scheme Court Hearing, and will consent to the Scheme and undertake to the Court to be bound thereby and to execute and do, or procure to be executed and done, all such documents, acts and things as may be

necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.

4. The issued share capital of Old Tethyan at the Last Practicable Date is 80,409,132 ordinary shares of 0.6 pence each.
5. Old Tethyan was incorporated in England and Wales under the Companies Act 1985 on 2 June 1999.
6. The issued share capital of New Tethyan as at the Last Practicable Date is one common share with no par value.
7. New Tethyan was incorporated in the Province of British Columbia, Canada under BC Corporations Act on 7 May 2019.

## **THE SCHEME**

### **1. Transfer of Scheme Shares**

- 1.1 On the Distribution Date, all of the issued Scheme Shares shall be transferred to New Tethyan, fully paid, free from all liens, equities, rights, charges, encumbrances and other interests and together with all rights subsisting at the date of their transfer and thereafter attached to each share in Old Tethyan, including the right to receive and retain all dividends and other distributions declared, made or paid thereon, on or after the Scheme Record Time.
- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred to New Tethyan by means of a form of transfer or other instrument or instruction of transfer and, to give effect to such transfer, any person may be appointed by New Tethyan as attorney or agent, and is hereby authorised on behalf of the holder or holders concerned, to execute and deliver as transferor an instrument of transfer (whether as a deed or otherwise) of, or give any instructions to transfer, any Scheme Shares and every instrument or instruction of transfer so executed or instruction given shall be effective as if it had been executed or given by the holder or holders thereby transferred. Such instrument, form or instruction of transfer shall be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to New Tethyan, together with the legal interest in such Scheme Shares, pursuant to such instruction, form or instrument of transfer.
- 1.3 Pending the registration of New Tethyan as the holder of the Scheme Shares to be transferred pursuant to this Scheme, New Tethyan shall be empowered upon and with effect from the Distribution Date, to appoint any person to act as attorney or, failing that, agent on behalf of each Holder in accordance with such directions as New Tethyan may give in relation to any dealings with or disposal of such share (or any interest in such share), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the Holder shall exercise all rights attaching thereto in accordance with the directions of New Tethyan but not otherwise.
- 1.4 The one issued common share in New Tethyan is currently held by Old Tethyan. Prior to the Distribution Date, the one common share in New Tethyan will be purchased by New Tethyan such that New Tethyan will hold the one common share in itself. New Tethyan will cancel this share concurrently with the transfer of the Old Tethyan Shares to New Tethyan and the issuance of the New Tethyan Shares to Scheme Shareholders. At no point, therefore, will New Tethyan be a member of Old Tethyan while Old Tethyan is its holding company and the transfer of Old Tethyan Shares to New Tethyan will not take place while Old Tethyan is a subsidiary of New Tethyan. Sections 136(1)(a) and 136(1)(b) Companies Act, which prohibit a body corporate from being a member of a company that is its holding company, and pursuant to which any allotment or transfer of shares in a company to its subsidiary is void, therefore do not apply in relation to the Scheme.

### **2. Consideration for the transfer of the Scheme Shares**

- 2.1 On the Distribution Date, in consideration of the transfer of the Scheme Shares to New Tethyan, New Tethyan shall, subject to the remaining provisions of this Scheme, issue New Tethyan Shares to each Scheme Shareholder on the basis of one New Tethyan Share for each Scheme Share held at the Scheme Record Time. No cash payment will be made.



- 2.2 The New Tethyan Shares to be issued in accordance with clause 2.1 and the remaining provisions of the Scheme shall be issued and credited as fully paid and free from all encumbrances and rights of pre-emption and any other third party rights of any nature whatsoever and shall rank *pari passu* in all respect with other New Tethyan Shares issued and outstanding on the Distribution Date, including all rights to receive dividends, distributions and other entitlements made or paid or declared thereon after the Scheme Record Time. The Effective Date will occur as soon as practicable after the TSX-V Record Date is set by the TSX-V.

### **3. Settlement of consideration**

- 3.1 On the Distribution Date, New Tethyan shall allot and issue the total number of New Tethyan Shares which it is required to allot and issue to give effect to clause 2 of this Scheme.
- 3.2 For Scheme Shareholders who hold their Scheme Shares on the UK Register in uncertificated form in CREST, such Scheme Shares will be disabled in CREST on the TSX-V Record Date. The Scheme Shares will be removed from CREST on the TSX-V Record Date, and on the Distribution Date such Scheme Shareholders will be issued the New Tethyan Shares to which they are entitled. The New Tethyan Shares will be issued in book-only form. As soon as practicable following the Distribution Date, Computershare Canada will mail a DRS Advice documenting the New Tethyan Shares such Scheme Shareholder holds. Scheme Shareholders wishing to deposit their New Tethyan Shares electronically with CDS will need to contact their brokers to arrange for deposit of those shares following receipt of their DRS Advice. Temporary documents of title will not be issued and transfer of New Tethyan Shares by such Scheme Shareholders will not be permitted until they receive their DRS Advice and effect such transfer in accordance with the directions on their DRS Advice.
- 3.3 For Scheme Shareholders who hold their Scheme Shares in certificated form, such certificates will be null, void and of no further force and effect on the Distribution Date. Such Scheme Shareholders will be issued the New Tethyan Shares to which they are entitled in book-only form. As soon as practicable following the Distribution Date, Computershare Canada will mail a DRS Advice documenting the New Tethyan Shares such Scheme Shareholder holds. Temporary documents of title will not be issued and transfer of New Tethyan Shares by such Scheme Shareholders will not be permitted until they receive their DRS Advice and effect such transfer in accordance with the directions on their DRS Advice.
- 3.4 New Tethyan will apply for the New Tethyan Shares to be admitted to CDS, so that settlement of transactions in New Tethyan Shares on the Distribution Date can take place in uncertificated form within the CDS system. For Scheme Shareholders who hold their Scheme Shares in uncertificated form through CDS on the Scheme Record Date, New Tethyan Shares to which the Scheme Shareholder is entitled will automatically be issued in uncertificated form through CDS.
- 3.5 Where Scheme Shares are held in book-only form with Computershare Canada, the exchange of New Tethyan Shares for the Scheme Shares will be made automatically by Computershare Canada on the Distribution Date. As soon as practicable following the Distribution Date, Computershare Canada will mail a DRS Advice documenting the New Tethyan Shares such Scheme Shareholder holds, however Scheme Shareholders can continue to use the information on their existing DRS Advice to deal with their New Tethyan Shares.
- 3.6 All DRS Advices required to be sent by New Tethyan pursuant to clauses 3.2 and 3.3 of this Scheme shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses as set out in Old Tethyan's register of Shareholders. All documents, certificates or other communications sent by, to, from or on behalf of Scheme Shareholders, or as such persons shall direct, will be sent at their own risk and may be sent by post.
- 3.7 None of Old Tethyan, New Tethyan or any agent of any of them shall be responsible for any loss or delay in transmission of DRS Advices or certificates sent in accordance with this clause 3.

### **4. Overseas Shareholders**

The provisions of clauses 1, 2 and 3 of this Scheme shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if in the case of any Scheme Shareholder, New Tethyan is advised that the law of a country or territory outside the United Kingdom and Canada precludes

the allotment, issue or delivery to it of New Tethyan Shares under clause 2 of this Scheme except after compliance by Old Tethyan and New Tethyan (as the case may be) with any governmental or other consent or any registration, filing or other formality with which Old Tethyan and New Tethyan (as the case may be) is unable to comply or compliance with which New Tethyan regards as unduly onerous, then:

- (a) New Tethyan may, in its sole discretion, determine that the New Tethyan Shares shall not be allotted and issued to a Scheme Shareholder to whom this clause 4 of this Scheme applies; and
- (b) New Tethyan shall be entitled to treat such Scheme Shareholder as a Restricted Overseas Shareholder.

In such case, and in the case of any Scheme Shareholder determined by New Tethyan to be a Restricted Overseas Shareholder, the New Tethyan Shares which would have been issued to such Scheme Shareholder shall instead be issued to a nominee appointed by New Tethyan on behalf of such Scheme Shareholder on terms that the nominee shall, as soon as reasonably practicable following the TSX-V Record Date sell those New Tethyan Shares so issued with the net proceeds of such sale being remitted to the Restricted Overseas Shareholder.

## **5. Certificates representing Scheme Shares**

With effect from and including the Distribution Date, all certificates representing holdings of Scheme Shares held by Scheme Shareholders shall cease to have effect as documents of title to such Scheme Shares, and shall be null, void and of no further force and effect.

## **6. Record of Transfer of Scheme Shares**

- 6.1 Prior to the Distribution Date, CDS and Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form.
- 6.2 On the Distribution Date, as regards certificated Scheme Shares, appropriate entries will be made in Old Tethyan's register of members to reflect their transfer pursuant to this Scheme.

## **7. Mandated payments and other instructions**

Each mandate in force on the Distribution Date relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications from Old Tethyan shall, unless and until varied or revoked, be deemed as from the Distribution Date to be a valid and effective mandate or instruction to New Tethyan in relation to the corresponding New Tethyan Shares to be allotted and issued pursuant to the Scheme.

## **8. Effective Date**

- 8.1 This Scheme shall become Effective on or as soon as practicable after the TSX-V Record Date is set.
- 8.2 The Scheme will become Effective when the Scheme Court Order is delivered to the UK Registrar of Companies.
- 8.3 Unless this Scheme has become Effective on or before 5.00 p.m. on 31 July 2019 or such later date, if any, as Old Tethyan and New Tethyan may agree and the Court may allow, it shall lapse.

## **9. Modification**

Old Tethyan and New Tethyan may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition approved or imposed by the Court.

## **10. Costs**

Old Tethyan is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

## **11. Governing law**

This Scheme is governed by the laws of England and Wales and is subject to the jurisdiction of the English Courts.

Dated: 3 June 2019

## Part 5

### TAXATION

**Part 5 of this document is not intended to be, and should not be construed to be, legal or taxation advice to any particular Scheme Shareholder. Any Scheme Shareholder who has any doubt about his own taxation position, or who is subject to taxation in any jurisdiction other than the UK or Canada should consult his professional taxation advisor immediately.**

#### 1. UK Taxation

The comments set out below summarise certain limited aspects of the UK tax treatment of Tethyan Shareholders under the Scheme.

They do not constitute legal or tax advice and do not purport to be a complete analysis of all UK tax considerations relating to the Scheme. They are based on current UK law and HMRC published practice, both of which are subject to change, possibly with retroactive effect. The comments are intended as a general guide and apply only to Tethyan Shareholders who are resident and, in the case of individuals, domiciled for tax purposes in (and only in) the UK at all relevant times, who hold Tethyan Shares and, to the extent that they acquire New Tethyan Shares pursuant to the Scheme, hold those New Tethyan Shares as an investment (other than in an Individual Savings Account) and who are the absolute beneficial owners of their Tethyan Shares.

These comments do not deal with certain types of shareholders, such as charities, persons holding or acquiring shares in the course of trade or as part of a “carried interest”, persons who have or could be treated for tax purposes as having acquired their Tethyan Shares by reason of their employment, collective investment schemes, pension schemes and insurance companies. Tethyan Shareholders who are in any doubt about their tax position, or who are resident, domiciled or otherwise subject to tax in a jurisdiction outside the UK, are advised to consult an appropriate independent professional tax adviser.

#### ***Tax consequences of the Scheme***

##### *Chargeable gains*

The transfer of Old Tethyan Shares under the Scheme in return for New Tethyan Shares should generally be treated as a reorganisation for UK tax purposes and, therefore, to the extent that a Scheme Shareholder exchanges their Tethyan Shares for New Tethyan Shares (including Tethyan CDIs), such Scheme Shareholders should not be treated as disposing of their Tethyan Shares or acquiring the New Tethyan Shares as a result of the Scheme. Instead, the New Tethyan Shares (including Tethyan CDIs) should be treated as the same asset and as having been acquired at the same time and for the same consideration as the relevant proportion of such Scheme Shareholder’s Tethyan Shares. Scheme Shareholders who, alone or together with connected persons, hold more than 5 per cent. of Tethyan Shares will be eligible for the treatment set out in the above paragraph only if the transfer under the Scheme is effected for *bona fide* commercial reasons and is not part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of a liability to capital gains tax or corporation tax. Scheme Shareholders should be advised that clearance has been sought, but not yet received, from HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 for confirmation that HMRC is satisfied that the transfer under the Scheme will be effected for *bona fide* commercial reasons and will not form part of any such scheme or arrangement.

##### *UK stamp duty and stamp duty reserve tax (SDRT)*

No UK stamp duty or SDRT should generally be payable by Scheme Shareholders as a result of the Scheme.

##### *Tax consequences of New Tethyan Shares*

Direct taxation of dividends paid to individual holders of New Tethyan Shares

A UK resident individual holder of New Tethyan Shares who receives a dividend from Tethyan shall not pay any UK income tax to the extent that the dividend, when aggregated with any other dividends received from any source in the same tax year, does not exceed the current dividend allowance of £2,000. For UK tax

purposes, the gross amount of any dividend must generally be brought into account, before deduction of Canadian withholding taxes.

To the extent that the dividend is not covered by the dividend allowance (taking account of any other dividends received by the individual shareholder in the same tax year, excluding any dividends paid within an Individual Savings Account and certain pension arrangements), it would be subject to UK income tax at 7.5 per cent. (to the extent within the basic rate band), 32.5 per cent. (to the extent within the higher rate band) and/or 38.1 per cent. (to the extent within the additional rate band), in each case when treated as the top slice of that shareholder's income for the relevant tax year.

Where an individual has both savings and dividend income, the dividend income is treated as the top slice. Dividends falling within the £2,000 dividend allowance will still count towards the basic or higher rate bands for this purpose and may, therefore, affect the rate of tax payable on dividends received in excess of the dividend allowance.

Direct taxation of dividends paid to corporate holders of New Tethyan Shares

It is likely that most dividends paid on the New Tethyan Shares to UK resident corporate shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and their applicability will depend on a shareholder's own circumstances and they are also subject to anti-avoidance rules. If a dividend paid to a UK resident corporate shareholder does not fall within one of the exempt classes, the shareholder will be subject to corporation tax on the gross amount of the dividend at a rate of 19 per cent., which is due to fall to 17 per cent. from 1 April 2020.

Both individual and corporate shareholders within the charge to UK corporation tax should consult their own professional advisers in respect of their position.

Credit for Canadian withholding tax on dividends

Subject to certain limitations, credit for Canadian withholding tax on dividends paid on the New Tethyan Shares should generally be available under UK tax law against income or corporation tax (if any) to which the holder of the New Tethyan Shares is liable in respect of such dividend.

To the extent that the withholding tax (after any double tax treaty relief) exceeds the UK tax the excess will be an absolute cost.

Future disposal of New Tethyan Shares

A disposal of New Tethyan Shares by a holder who is resident in the UK for tax purposes may, depending upon the holder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains. The first £12,000 of an individual's net chargeable gains are exempt for the current tax year (2019/20). The balance is taxed at 10 per cent. for gains that fall within the individual's otherwise unused basic rate income tax band (£37,500 for 2019/20) and 20 per cent. thereafter, with no taper relief or indexation allowance. A UK resident corporate will, subject to the availability of any exemptions, reliefs and/or allowable losses, generally be subject to UK corporation tax on chargeable gains at the standard rate of UK corporation tax (currently 19 per cent., which is due to fall to 17 per cent. from 1 April 2020).

UK stamp duty and SDRT

No UK stamp duty or SDRT should arise in respect of any dealings in the New Tethyan Shares (including Tethyan CDIs), provided that there is no register in the UK in respect of the New Tethyan Shares and that the New Tethyan Shares are not paired with any shares issued by any company incorporated in the UK.

## **2. Certain Canadian Federal Income Tax Considerations**

The following is, as of the date of this document, a summary of the principal Canadian federal income tax considerations generally applicable under the Income Tax Act to Scheme Shareholders who exchange their Scheme Shares for New Tethyan Shares pursuant to the Scheme and who, at all relevant times, for purposes of the Income Tax Act and in accordance with any applicable tax treaty, are or are deemed to be resident in Canada, and, within the meanings ascribed in the Income Tax Act: (a) deal at arm's length with Old Tethyan and New Tethyan; (b) are not "affiliated" with Old Tethyan or New Tethyan; (c) hold their Scheme Shares as

capital property; and (d) will hold their New Tethyan Shares as capital property (a “**Resident Canadian Shareholder**”).

Generally, Scheme Shares and New Tethyan Shares will be considered to be capital property to the holder thereof provided that they are not held in the course of carrying on a business of buying and selling securities and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Income Tax Act, the effect of which is to deem any “Canadian security”, as defined in the Income Tax Act, owned by such Resident Canadian Shareholder in the taxation year in which the election is made, and in all subsequent taxation years, to be capital property. However, the Scheme Shares are not within the definition of a “Canadian Security” in the Income Tax Act. While the New Tethyan shares will be a “Canadian security” as defined in the Income Tax Act, where a Resident Canadian Shareholder makes an election with New Tethyan under section 85 of the Income Tax Act, as described below, the New Tethyan Shares received by virtue of this election will not be “Canadian securities” to such holder and will not be deemed to be capital property under subsection 39(4) of the Income Tax Act. Resident Canadian Shareholders whose Scheme Shares and New Tethyan Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

This summary is not applicable to a Resident Canadian Shareholder: (i) that is a “Financial Institution” (as defined in the Income Tax Act for the purposes of the mark-to-market rules), (ii) an interest in which is a “Tax Shelter Investment” (as defined in the Income Tax Act), (iii) that is a “Specified Financial Institution” (as defined in the Income Tax Act), (iv) that has made a “functional currency” election under section 261 of the Income Tax Act, (v) that has received, or receives, Scheme Shares or New Tethyan Shares upon exercise of a stock option, (vi) that has entered into, or enters into, a “Derivative Forward Agreement” (as defined in the Income Tax Act) with respect to its Scheme Shares or New Tethyan Shares, or (vii) that receives dividends on New Tethyan Shares under or as part of a “Dividend Rental Arrangement” (as defined in the Income Tax Act). Such holders should consult their own tax advisors.

This summary is based upon the provisions of the Income Tax Act in force on the date of this document and the current published administrative policies and assessing practices of the CRA publicly available prior to the date of this document. This summary takes into account all specific proposals to amend the Income Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this document and assumes that such proposed amendments will be enacted in their current form. There can be no assurance that any of the proposed amendments will be implemented in their current form or at all. Except for the proposed amendments, this summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the administrative or assessing practices and policies of the CRA. In addition, this summary does not take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed in this document.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to a Scheme Shareholder in respect of the transactions described herein. The income or other tax consequences will vary depending on the particular circumstances of the Scheme Shareholder, including the province or provinces in which the Scheme Shareholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice or representations to any particular Scheme Shareholder. Moreover, no advance income tax ruling has been applied for or obtained from the CRA to confirm the tax consequences of any of the transactions described herein. Scheme Shareholders should consult their own legal and tax advisors for advice with respect to the tax consequences of the transactions described in this document based on their particular circumstances.**

## **2.1 Exchange of Scheme Shares for New Tethyan Shares by Resident Canadian Shareholders**

### **(a) No Section 85 Election**

The following portion of this summary is generally applicable to a Scheme Shareholder who is a Resident Canadian Shareholder, receives New Tethyan Shares in exchange for its Scheme Shares pursuant to the Scheme, and who does not make a valid Section 85 Election with respect to such exchange (a “**Non-Electing Resident Canadian Shareholder**”).



A Non-Electing Resident Canadian Shareholder will be considered to have disposed of its Scheme Shares pursuant to the Scheme for proceeds of disposition equal to the aggregate of the fair market value of the New Tethyan Shares received by the Non-Electing Resident Canadian Shareholder for such Scheme Shares, and to have acquired such New Tethyan Shares at a cost equal to the fair market value of such New Tethyan Shares at the time of the exchange. A Non-Electing Resident Canadian Shareholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition of its Scheme Shares, as described above, exceed (or are less than) the aggregate of the Non-Electing Resident Canadian Shareholder's adjusted cost base (as calculated under the Income Tax Act) of such Scheme Shares immediately before the disposition and any reasonable costs of disposition. See "*Taxation of Capital Gains and Capital Losses*" below for a general discussion of the treatment of capital gains and capital losses under the Income Tax Act.

(b) *Section 85 Election*

Resident Canadian Shareholders who receive New Tethyan Shares pursuant to the Scheme may be entitled to make a Section 85 Election to obtain a full or partial tax deferral in respect of a capital gain that may arise on the disposition of Scheme Shares pursuant to the Scheme. The following portion of this summary is generally applicable to a Scheme Shareholder who is a Resident Canadian Shareholder, who receives New Tethyan Shares in exchange for its Scheme Shares pursuant to the Scheme, and who makes a valid Section 85 Election with respect to such exchange (an "**Electing Resident Canadian Shareholder**").

Pursuant to the Scheme, a Scheme Shareholder whose Scheme Shares are exchanged for New Tethyan Shares under the Scheme will be entitled to make a joint election with New Tethyan pursuant to section 85 of the Income Tax Act (and any analogous provision of provincial income tax law) (a "**Section 85 Election**") with respect to such exchange, provided such Scheme Shareholder complies with the procedures to be provided by New Tethyan (the "**Tax Election Instructions**") with respect to such Section 85 Election.

An Electing Resident Canadian Shareholder will, in its Section 85 Election, be entitled to select an amount (the "**Agreed Amount**") in respect of the transfer of its Scheme Shares to New Tethyan pursuant to the Scheme, which Agreed Amount will be deemed, subject to the specific limitations contained in the Income Tax Act (which are summarized briefly below), to constitute such Electing Resident Canadian Shareholder's proceeds of disposition of the Scheme Shares for purposes of the Income Tax Act in respect of which the Section 85 Election is made.

Pursuant to the provisions of the Income Tax Act, an Electing Resident Canadian Shareholder's Agreed Amount may not:

- (i) be less than the Electing Resident Canadian Shareholder's adjusted cost base of the Scheme Shares disposed of that are the subject of the election and the fair market value of such Scheme Shares at the time of disposition, if the fair market value of such Scheme Shares is less than the respective Electing Resident Canadian Shareholder's adjusted cost base thereof; and
- (ii) be greater than the fair market value, at the time of disposition, of the Scheme Shares disposed of that are the subject of the election.

Where the Agreed Amount selected by an Electing Resident Canadian Shareholder does not comply with the above limitations, the Agreed Amount (and the Electing Resident Canadian Shareholder's proceeds of disposition) will automatically be adjusted under the Income Tax Act so that it complies with the above limitations.

An Electing Resident Canadian Shareholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition of its Scheme Shares, as described above, exceed (or are less than) the aggregate of the Electing Resident Canadian Shareholder's adjusted cost base of such Scheme Shares immediately before the disposition and any reasonable costs of disposition. See "*Taxation of Capital Gains and Capital Losses*" below for a general discussion of the treatment of capital gains and capital losses under the Income Tax Act.

Scheme Shareholders should consult their own tax advisors with respect to the appropriateness of making a Section 85 Election in respect of the exchange of their Scheme Shares in their particular circumstances. Scheme Shareholders who fail to comply with the procedures set out in the Tax Election Instructions, or with the requirements (including time limitations) under the Income Tax Act, for making a Section 85 Election will not be entitled to make a Section 85 Election with respect to the exchange of their Scheme Shares pursuant to the Scheme, and such Scheme Shareholders who are Resident Canadian Shareholders will instead be subject to the Canadian federal income tax considerations described above under “*Exchange of Scheme Shares for New Tethyan Shares – No Section 85 Election*” with respect to the exchange of their Scheme Shares pursuant to the Scheme.

(c) *Procedure for Making a Section 85 Election*

New Tethyan will make the Tax Election Instructions available to Scheme Shareholders within 30 days of the Distribution Date via the internet on New Tethyan’s website at [www.tethyan-resources.com](http://www.tethyan-resources.com). The Tax Election Instructions will provide instructions on how to make a Section 85 Election with New Tethyan in order to permit Scheme Shareholders to obtain a full or partial tax-deferred rollover for Canadian federal income tax purposes in respect of the transfer of their Scheme Shares to New Tethyan pursuant to the Scheme.

To make a Section 85 Election, a Scheme Shareholder must provide the necessary information to such person as New Tethyan designates on or before 90 days after the Distribution Date in accordance with the procedures set out in the Tax Election Instructions. New Tethyan may, in its sole discretion, choose to sign and return a duly completed Section 85 Election form received from a Scheme Shareholder more than 90 days following the Distribution Date, but will have no obligation to do so. Accordingly, all Scheme Shareholders who wish to make a Section 85 Election with New Tethyan should give this matter their immediate attention.

Subject to the information contained in a duly completed and signed election form received by New Tethyan from a Scheme Shareholder within 90 days following the Distribution Date (or such later date as New Tethyan in its sole discretion may decide to accept) complying with the provisions of the Income Tax Act (and any applicable provincial income tax law), New Tethyan will, within 30 days, sign a copy of such election form and return it to the Scheme Shareholder by mail, in order to permit the Scheme Shareholder to file the signed election form with the CRA (or the applicable provincial revenue authority). Each Scheme Shareholder is solely responsible for ensuring the election form is completed correctly and filed with the CRA (and any applicable provincial revenue authorities) within the time period prescribed by the Income Tax Act (and any applicable provincial income tax legislation).

Generally, in order to comply with the filing deadline prescribed by the Income Tax Act, an election form must be received by the CRA on or before the day that is the earliest of the days on or before which either New Tethyan or the Scheme Shareholder making the election is required to file an income tax return for the taxation year in which the disposition of the Scheme Shareholder’s Scheme Shares pursuant to the Scheme occurs. Different filing deadlines may apply to the filing of an election form with a provincial revenue authority. New Tethyan’s taxation year is scheduled to end December 31, 2019 (although New Tethyan’s taxation year could end earlier, as a result of an event such as an amalgamation), and its tax return is required to be filed within six months from the end of the taxation year. Scheme Shareholders are urged to consult their own advisors as soon as possible respecting the deadlines applicable to their own particular circumstances. Regardless of such deadline, a Scheme Shareholder must provide the necessary information in accordance with the procedures set out in the Tax Election Instructions to such person as New Tethyan designates within 90 days following the Distribution Date, otherwise New Tethyan will have no obligation to make a Section 85 Election with such Scheme Shareholder.

A Section 85 Election will be valid only if it meets all of the applicable requirements under the Income Tax Act (and any applicable provincial income tax legislation). Meeting these requirements will be the sole responsibility of the Scheme Shareholder. New Tethyan will not be responsible for the proper completion of any election form, and will have no obligation to complete or sign any election form submitted to it that is not in compliance with the requirements under the Income Tax Act (and any applicable provincial income tax legislation). Furthermore, New Tethyan will not

be responsible for the filing of any election form submitted to it, and it will be the sole responsibility of the Scheme Shareholder to file a signed election form (after it has been returned to the Scheme Shareholder by New Tethyan) with the CRA (and any applicable provincial tax authority) within the time period prescribed by the Income Tax Act (and any applicable provincial income tax legislation). With the exception of the execution by New Tethyan of a validly completed election form received by New Tethyan within 90 days following the Distribution Date, none of New Tethyan, Old Tethyan or any successor corporation, shall be responsible for the proper completion or filing of any election form, nor for any taxes, interest, penalties, damages or expenses resulting from the failure by anyone to follow the procedures set out in the Tax Election Instructions or to properly complete or file such election in the form and manner and within the time prescribed by the Income Tax Act (or any applicable provincial income tax legislation).

**The comments in this summary with respect to Section 85 Elections are provided for general assistance only. The law in this area is complex and involves many technical requirements. Scheme Shareholders wishing to make a Section 85 Election should consult their own tax advisors regarding making such an election having regard to their particular circumstances. Scheme Shareholders are also referred to Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 issued by the CRA for further information respecting the election. Any Scheme Shareholder who does not submit a duly completed election form to New Tethyan within the time and in accordance with the procedures set out in the Tax Election Instructions may not be able to benefit from a full or partial tax-deferred rollover for Canadian income tax purposes in respect of the transfer of the Scheme Shareholder's Scheme Shares to New Tethyan, and may therefore realize a capital gain on the exchange of its Scheme Shares pursuant to the Scheme. Accordingly, Scheme Shareholders who wish to enter into a Section 85 Election with New Tethyan should give this matter their immediate attention.**

## 2.2 ***Taxation of Capital Gains and Capital Losses***

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Resident Canadian Shareholder in a taxation year must be included in the Resident Canadian Shareholder's income for the year, and one-half of any capital loss (an "allowable capital loss") realized by a Resident Canadian Shareholder in a taxation year must be deducted from taxable capital gains realized by the Resident Canadian Shareholder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may generally be carried back and deducted in any of the three preceding taxation years, or carried forward and deducted in any subsequent taxation year, against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Income Tax Act.

The amount of any capital loss realized by a Resident Canadian Shareholder that is a corporation on the disposition of its Scheme Shares may be reduced by the amount of dividends received by it on its Scheme Shares, to the extent and under the circumstances described in the Income Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that receives and disposes of Scheme Shares, directly or indirectly, through a partnership or a trust. Such Resident Canadian Shareholders should consult their own tax advisors.

Resident Canadian Shareholders that, throughout the taxation year, are "Canadian-Controlled Private Corporations" (as defined in the Income Tax Act) may be liable for an additional refundable  $\frac{6}{3}$  per cent. tax in respect of taxable capital gains realized on the disposition of their Scheme Shares.

Capital gains realized by a Resident Canadian Shareholder that is an individual (including certain trusts) on the disposition of Scheme Shares may increase the Resident Canadian Shareholder's liability for alternative minimum tax.

## 2.3 ***Dividends on New Tethyan Shares***

A Resident Canadian Shareholder that receives New Tethyan Shares pursuant to the Scheme will be required to include in computing its income for a taxation year any dividends received by it or deemed to be received by it in the year on such shares.

In the case of a Resident Canadian Shareholder that is an individual, the amount of any such dividend will be subject to the normal dividend gross-up and tax credit rules generally applicable to dividends received from a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit if such dividends are properly designated as “eligible dividends” by New Tethyan. Taxable dividends received by a Resident Canadian Shareholder that is an individual or a trust may increase such Resident Canadian Shareholder’s liability for alternative minimum tax.

In the case of a Resident Canadian Shareholder that is a corporation, the amount of any taxable dividend included in the Resident Canadian Shareholder’s income for the taxation year generally will be deductible in computing the Resident Canadian Shareholder’s taxable income. A Resident Canadian Shareholder that is a “Private Corporation” (as defined in the Income Tax Act) or any other corporation resident in Canada controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a refundable tax of  $33\frac{1}{3}$  per cent. on any taxable dividend to the extent such dividend is deductible in computing the Resident Canadian Shareholder’s taxable income for the year.

#### 2.4 ***Disposition of New Tethyan Shares***

On the disposition or deemed disposition by a Resident Canadian Shareholder of its New Tethyan Shares acquired pursuant to the Scheme (other than a disposition to New Tethyan), the Resident Canadian Shareholder will realize a capital gain (or capital loss) equal to the amount by which the Resident Canadian Shareholder’s proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the Resident Canadian Shareholder of the shares disposed of immediately before the disposition and any reasonable costs of disposition. Any such capital gain or capital loss will generally be treated in the same manner as described above with respect to the Scheme Shares under the heading “*Taxation of Capital Gains and Capital Losses*”.

## Part 6

### INFORMATION RELATING TO TETHYAN RESOURCE CORP.

#### 1. Summary of the New Tethyan Articles

The following is a summary of the New Tethyan Articles. This summary is qualified in its entirety by the full text of the New Tethyan Articles, a copy of which is available free of charge on Old Tethyan's website, [www.tethyan-resources.com](http://www.tethyan-resources.com), and is available for inspection upon request during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Memery Crystal LLP (being 165 Fleet Street, London, EC4A 2DY), at Old Tethyan's registered office (being 27-28 Eastcastle Street, London W1W 8DH) or at New Tethyan's registered office (being Morton Law LLP, 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8) from the date of this document until the Distribution Date.

##### 1.1 *Shares Generally*

The authorized share structure of New Tethyan consists of shares of the class or classes and series, if any, described in the Notice of Articles of New Tethyan. The Notice of Articles of New Tethyan specifies that the authorized capital of New Tethyan consists of an unlimited number of Tethyan Shares without par value.

Shares may be issued without a share certificate or written acknowledgment, however, each shareholder is entitled to request a share certificate or non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate. The holders of Tethyan Shares are entitled to receive notice of and to attend all meetings of the shareholders of New Tethyan. Each Tethyan Share carries the right to one vote, which may be exercised by the shareholder in person or by proxy, other than a vote by show of hands, where every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote.

##### 1.2 *Issue of Shares*

Subject to the BC Corporations Act, and the rights, if any, of the holders of issued shares of New Tethyan, New Tethyan may issue, allot or sell shares of New Tethyan to such persons and on the terms and conditions and for the issue prices that the directors may determine. Except as provided for by the BC Corporations Act, no share of New Tethyan may be issued until it is fully paid through the provision of past services or transfer of property or money. New Tethyan may pay reasonable commissions, allow reasonable discounts or pay brokerage fees in connection with the sale of securities of New Tethyan.

Subject to the BC Corporations Act, New Tethyan may also issue share purchase warrants, options and rights to acquire shares of New Tethyan or other securities upon such terms and conditions as the directors of New Tethyan may determine.

##### 1.3 *Register of Shareholders*

New Tethyan must maintain a central securities register in accordance with the provisions of the BC Corporations Act. The directors may appoint an agent to maintain the central securities register and/or a transfer agent for its shares. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

##### 1.4 *Transfer of Shares*

A transfer of a share of New Tethyan for which a share certificate has been issued or for which the shareholder has received a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate must not be registered unless New Tethyan or the transfer agent has received a duly executed instrument of transfer, the share certificate or non-transferable written acknowledgement (as applicable), and such other evidence as the directors or transfer agent may require. A transfer of a share of New Tethyan held in book-only form must not be registered unless the requirements for transfer as approved by the directors have been met. New Tethyan and its directors,

officers or agents are not bound to inquire into the title of the person named in the instrument of transfer as transferee or on whose behalf the instrument is deposited, and are not liable for any claim related to registering the transfer.

Except to the extent that the BC Corporations Act otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of New Tethyan in respect of the transfer. The directors may set a fee to be paid in relation to the registration of any transfer.

#### **1.5 *Purchase and Redemption of Shares***

Subject to the BC Corporations Act, the directors of New Tethyan may authorize the purchase, redemption or other acquisition of shares of New Tethyan at the price and upon the terms as the directors determine, provided that any such repurchase or redemption cannot render New Tethyan insolvent.

#### **1.6 *Alteration of Capital***

Subject to the BC Corporations Act, New Tethyan may, by directors' resolution or ordinary shareholders resolution, create classes or series of shares, eliminate classes of shares that have not been issued, change the authorized capital, subdivide or consolidate its issued or unissued shares, decrease the par value of shares, increase the par value of unissued shares, change par value shares into shares without par value, change unissued shares without par value into shares with par value, and alter the name of any shares. Subject to the BC Corporations Act, New Tethyan may, by ordinary shareholders resolution, make any other changes to its authorized share structure.

#### **1.7 *Alteration of Rights***

Subject to the BC Corporations Act, New Tethyan may, by ordinary shareholders resolution, create, vary or delete any special rights or restrictions attached to any class or series of shares.

#### **1.8 *Dividends***

Subject to the BC Corporations Act and the rights of holders of any preferred shares, the holders of Tethyan Shares are entitled to receive dividends if, as and when declared by the board of directors of New Tethyan. Dividends may be paid in cash, assets and/or fully paid securities of New Tethyan or any other corporation. All dividends must be declared and paid according to the number of Tethyan Shares held.

#### **1.9 *Shareholder Meetings***

Timing: Unless an annual general meeting is deferred or waived in accordance with the BC Corporations Act, New Tethyan must hold its first annual general meeting within 18 months after the date on which it was incorporated, and thereafter, at least once in each calendar year and not more than 15 months after the last annual reference date. The annual general meeting must be held at such time and place as may be determined by the directors. If all shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The directors may, whenever they think fit, call any other meeting of shareholders.

Notice: Notice of any shareholder meeting must be sent in accordance with the New Tethyan Articles at least 21 days before the meeting if New Tethyan is a public company, otherwise, 10 days before the meeting. Notice of any shareholder meeting at which a resolution entitling shareholders to dissent is to be considered, must be sent to each shareholder, whether or not their shares carry the right to vote.

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any person entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may waive or reduce the period of notice of such meeting. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.



Record Dates: The directors may set a record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a meeting requisitioned by shareholders, by more than four months. The notice record date must not be less than 21 days before the meeting if New Tethyan is a public company, otherwise 10 days before the meeting. The directors may also set a record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The voting record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the BC Corporations Act, by more than four months. If no notice or voting record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Proceedings: If a meeting of shareholders is to consider special business, the notice of meeting must state the general nature of the special business and include a copy of any document to be approved or authorized, or state that a copy is available for inspection. At a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting. At an annual general meeting, all business is special business except for business relating to the conduct of or voting at the meeting, consideration of financial statements, consideration of any reports of the directors or auditor, setting or changing of the number of directors, election of directors, appointment and remuneration of an auditor, a report of the directors not requiring the passing of a special resolution or an exceptional resolution, and any other business which may be transacted at a meeting of shareholders without prior notice being given. The majority of votes required for New Tethyan to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person who is a shareholder, or who is otherwise permitted to vote shares of New Tethyan at a meeting of shareholders, present in person or by proxy. In case of an equality of votes either on a show of hands or on a poll, the chair of a meeting of shareholders will not have a second or casting vote.

Location: New Tethyan will hold meetings of shareholders in British Columbia, provided that the directors may approve a location outside of British Columbia.

#### **1.10 Appointment and Election of Directors**

A director must be qualified as required by the BC Corporations Act to become, act or continue to act as a director. The first directors of New Tethyan are the persons designated as directors of New Tethyan in the Notice of Articles that applies to New Tethyan when it is recognized under the BC Corporations Act. At every annual general meeting the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors set under the New Tethyan Articles from time to time. The number of directors is equal to the number of New Tethyan's first directors, or if New Tethyan is a public company, the greater of three and the number most recently set by ordinary shareholders resolution, or if New Tethyan is not a public company, the number most recently set by ordinary shareholders resolution.

Between annual general meetings, the directors may appoint one or more additional directors, but the number of additional directors appointed must not at any time exceed one-third of the number of current directors. The directors may fill any casual vacancy occurring on the board of directors. An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under the New Tethyan Articles is in office. If New Tethyan has fewer directors in office than the number set pursuant to the New Tethyan Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or for such other purpose as permitted under the BC Corporations Act.

For so long as New Tethyan is a public company, only persons who are nominated in accordance with the procedures in the New Tethyan Articles shall be eligible for election as directors. Nominations may be made at any annual meeting of shareholders, or at any special meeting called for the election of



directors, by the board (including pursuant to a notice of meeting), by a shareholder pursuant to a proposal or requisition under the BC Corporations Act, or by a shareholder who provides advance notice in accordance with the New Tethyan Articles.

#### **1.11 Retirement and Removal of Directors**

A director ceases to be a director when their term of office expires, the director dies, the director resigns or the director is removed from office. The shareholders of New Tethyan may remove any director before the expiration of his or her term of office by special resolution and elect, by ordinary shareholders resolution, a director to fill the resulting vacancy. If the shareholders do not elect a director to fill the resulting vacancy, then the directors may appoint, by ordinary resolution, a director to fill that vacancy. The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or ceases to be qualified to act as a director of a company and does not promptly resign.

#### **1.12 Remuneration of Directors**

The directors may determine the remuneration to which they are entitled for acting as directors. If the directors so decide, the remuneration of the directors may be determined by the shareholders. That remuneration may be in addition to any other remuneration paid to any officer or employee of New Tethyan who is also a director. New Tethyan must reimburse each director for reasonable expenses that he or she may incur in and about the business of New Tethyan.

Unless otherwise determined by ordinary shareholders resolution, the directors may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office with New Tethyan, or to his or her spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### **1.13 Alternate Directors**

Any director (an appointor) may appoint any person (an appointee) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present, unless (in the case of an appointee who is not a director) the directors have reasonably disapproved of the appointment of such person as an alternate director. Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

#### **1.14 Powers and Proceedings of the Directors**

The directors must, subject to the BC Corporations Act and the New Tethyan Articles, manage or supervise the management of the business and affairs of New Tethyan and have the authority to exercise all such powers of New Tethyan as are not required to be exercised by the shareholders of New Tethyan.

#### **1.15 Interests of Directors and Senior Officers**

A director or senior officer who holds any office or possesses any property, right or interest that could result in a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the BC Corporations Act. A director who holds a disclosable interest in a contract or transaction is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution. A director or senior officer who holds a disclosable interest is liable to account to New Tethyan for any profit that accrues to the director or senior officer as a result of the contract or transaction to the extent provided in the BC Corporations Act.

A director may hold any office with New Tethyan, other than the office of auditor, in addition to his or her office of director on the terms that the directors may determine. No director or intended director is disqualified from contracting with New Tethyan and no contract or transaction entered into by or on behalf of New Tethyan in which a director is in any way interested is liable to be voided for that reason. Subject to the BC Corporations Act, a director or officer may act in a professional capacity for New

Tethyan, except as auditor, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer. A director or officer may be or become a director, officer or employee of any person in which New Tethyan may be interested as a shareholder or otherwise, and, subject to the BC Corporations Act, the director or officer is not accountable to New Tethyan for any remuneration or other benefits received by him or her.

#### **1.16 Indemnification of Directors and Other Persons**

Subject to the BC Corporations Act, New Tethyan must indemnify a director, former director or alternate director and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Subject to any restrictions in the BC Corporations Act, New Tethyan may indemnify any other person. The failure of a director, alternate director or officer of to comply with the BC Corporations Act or the New Tethyan Articles does not invalidate any indemnity.

New Tethyan may purchase insurance for the benefit of any current or former director, alternate director, officer, employee or agent of New Tethyan or an affiliate. New Tethyan may also purchase insurance for the benefit of a person who, at the request of New Tethyan, is or was a director, alternate director, officer, employee, agent or equivalent with a partnership, trust, joint venture or other unincorporated entity.

#### **1.17 Borrowing Powers**

The directors may authorize New Tethyan to borrow money on the terms and conditions that they consider appropriate; issue bonds, debentures and other debt obligations on terms as they consider appropriate; guarantee the repayment of money or the performance of any obligation; and mortgage, charge, grant security on the whole or any part of the assets and undertaking of New Tethyan. Any bonds, debentures or other debt obligations may be issued at a discount or premium, with any special privileges as to redemption, surrender, drawings, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings, appointment of directors, and assignment as the directors may determine.

#### **1.18 Notices**

Subject to the BC Corporations Act, any notice, statement, report or other record, including notices of shareholder meetings, may be sent by mail, physical delivery, fax, email or such other method as may be approved by the directors. Notices sent by mail are deemed to be received on the day (Saturdays, Sundays and holidays excepted) following the day it was mailed. Notices sent by fax or email are deemed to be received on the day they were faxed or emailed.

The above is a summary only of certain provisions of the New Tethyan Articles, the full provisions of which are available for inspection as described in paragraph 1 of this Part 6.

## **2. Difference between the Old Tethyan Articles and the New Tethyan Articles**

There are a number of differences between the Old Tethyan Articles and the New Tethyan Articles. These arise by reason of New Tethyan being a company incorporated in Province of British Columbia, Canada and not in England and Wales (which means that the BC Corporations Act will apply to New Tethyan). Where appropriate and subject to the BC Corporations Act, provisions have been incorporated into the New Tethyan Articles to enshrine certain rights that are not conferred by the BC Corporations Act but which shareholders in a company incorporated in England and Wales would normally expect.

The principal differences between the Old Tethyan Articles and the New Tethyan Articles are:

- (a) removal of provisions relating to deferred shares and certain provisions in respect of issuing warrants;
- (b) amendments to provisions relating alteration of capital, in particularly the type of resolutions required to create, change or eliminate certain classes or series of shares including changes to the share capital;

- (c) amendments to certain provisions dealing with shares, including the removal of provisions in respect of forfeiture of shares where notice requiring payment of call(s) unpaid has been served on shareholder(s), and the removal of provisions relating to untraded shareholders;
- (d) replacement of 'extraordinary' resolutions with 'special' resolutions;
- (e) amended procedural provisions relating to directors, including amendments to appointment of directors, deletion of provisions relating to directors retiring by rotation, change in maximum number of directors, change of provisions relating to directors vacating the office and ceasing to be directors, and change in type of resolution required to remove a director;
- (f) removal of specific provisions relating to accounts and to the appointment of a company secretary;
- (g) amendments to certain provisions in relation to board committees, proceedings of electronic circulation/passing written directors' resolutions, and wider powers of delegation;
- (h) slightly different provisions relating to the directors interests and payment of dividends;
- (i) amendments to certain provisions dealing with general meetings, including different provisions in respect of notice periods and form and content of the notice, and the addition of provisions relating to the location of such meetings; and
- (j) amendments to provisions dealing with shareholder voting, including different provisions in respect of corporate representatives, the removal of the specified deadline for the deposit of proxy and the additions of provisions in respect of the form of notice of proxy and revocation of proxy.

The above is a summary only of certain differences between the New Tethyan Articles and Old Tethyan Articles, the full provisions of which are available for inspection free of charge on Old Tethyan's website, [www.tethyan-resources.com](http://www.tethyan-resources.com), and is available for inspection upon request during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Memery Crystal LLP (being 165 Fleet Street, London, EC4A 2DY), at Old Tethyan's registered office (being 27-28 Eastcastle Street, London W1W 8DH) or at New Tethyan's registered office (being Morton Law LLP, 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8) from the date of this document until the Distribution Date.

### **3. Summary of certain provisions of British Columbia, Canada company law and implications of New Tethyan being a British Columbia, Canada incorporated company**

There are a number of differences between the Companies Act and the BC Corporations Act which may impact upon the rights of Shareholders when they become shareholders of New Tethyan. Certain provisions of the BC Corporations Act are discussed in this section.

#### **3.1 Charter Documents**

Under the BC Corporations Act, the charter documents consist of a "notice of articles" which sets forth, among other things, the name of the corporation and the amount and type of authorized capital, and "articles" which govern the management of the corporation. The authorized capital must consist of one or more classes of shares, with or without par value, and with or without special rights and restrictions attached.

The notice of articles is filed with the Registrar of Companies, while articles are filed only with the corporation's registered and records office. The registered and records office must be located in British Columbia.

#### **3.2 Amendments to the Charter Documents of a Corporation**

Changes to the articles of a corporation under the BC Corporations Act will be effected by the type of resolution specified in the articles of a corporation, which, for many alterations, including change of name or alterations to the articles, could provide for approval solely by a resolution of the directors. In the absence of anything in the articles, most corporate alterations will require a special resolution of the shareholders to be approved by not less than two-thirds of the votes cast by the shareholders voting on the resolution. Alteration of the special rights and restrictions attached to issued shares requires, subject to the requirements set forth in the corporation's articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or

continuation of a corporation out of the jurisdiction generally requires shareholders approve the adoption of the amalgamation agreement or continuation by way of a special resolution.

### 3.3 ***Sale of Business or Assets***

Under the BC Corporations Act, the directors of a corporation may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation only if it is in the ordinary course of the corporation's business or with shareholder approval authorized by special resolution. Under the BC Corporations Act, a special resolution requires the approval of a "special majority", which means the majority specified in a corporation's articles, if such specified majority is at least two-thirds and not more than by three-quarters of the votes cast by those shareholders voting in person or by proxy at a general meeting of the corporation. If the articles do not contain a provision stipulating the special majority, then a special resolution is passed by at least two-thirds of the votes cast on the resolution.

### 3.4 ***Rights of Dissent and Appraisal***

The BC Corporations Act provides that shareholders, including beneficial holders, who dissent from certain actions being taken by a corporation, may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the corporation proposes to:

- (a) alter the articles to alter restrictions on the powers of the corporation or on the business it is permitted to carry on;
- (b) adopt an amalgamation agreement;
- (c) approve an amalgamation into a foreign jurisdiction;
- (d) approve an arrangement, the terms of which arrangement permit dissent;
- (e) authorize or ratify the sale, lease or other disposition of all or substantially all of the corporation's undertaking; or
- (f) authorize the continuation of the corporation into a jurisdiction other than British Columbia.

In certain circumstances, shareholders may also be entitled to dissent in respect of a resolution if dissent is authorized by such resolution, or if permitted by court order.

### 3.5 ***Oppression Remedies***

Under the BC Corporations Act, an oppression remedy allows a shareholder to apply to a court if the corporation is being run in a manner which is oppressive or unfairly prejudicial to the interests of that shareholder. A shareholder is defined as including a beneficial shareholder and any other person whom the court considers to be an appropriate person to make an application. If the court finds that oppression exists, it can grant a variety of remedies, ranging from an order restraining the conduct complained of to an order requiring the corporation to repurchase the shareholder's shares or an order liquidating the corporation. The BC Corporations Act allows a court to grant relief where an unfairly prejudicial effect to the shareholder is merely threatened, whereas some other jurisdictions in Canada will only allow a court to grant relief if the effect actually exists.

### 3.6 ***Shareholder Derivative Actions***

Under the BC Corporations Act, a shareholder (including a beneficial shareholder and any other person whom the court considers to be an appropriate person to make an application) or a director of a corporation may, with leave of the court, bring a legal proceeding in the name and on behalf of the corporation to enforce an obligation owed to the corporation that could be enforced by the corporation itself, or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a corporation.

### 3.7 ***Requisition of Meetings***

The BC Corporations Act provides that one or more shareholders of a corporation holding not less than 5 per cent. of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a general meeting. The meeting must be held within 4 months of the requisition.

Subject to certain exceptions, if the directors fail to provide notice of a meeting within 21 days of receiving the requisition, the requisitioning shareholders, or any one or more of them holding more than 2.5 per cent. of the issued shares of the corporation that carry the right to vote at general meetings, may send notice of a general meeting to be held to transact the business stated in the requisition.

### 3.8 ***Solicitation of Proxies***

The BC Corporations Act does not place any restriction on the method of soliciting proxies.

### 3.9 ***Shareholder Proposals***

The BC Corporations Act includes a detailed regime for shareholders' proposals. For example, a person submitting a proposal must have been the registered or beneficial owner of one or more voting shares for at least two years before signing the proposal. In addition, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of (i) at least 1 per cent. of the corporation's voting shares, or (ii) shares with a fair market value exceeding an amount prescribed by regulation (at present, C\$2,000).

### 3.10 ***Place of Shareholders' Meetings***

The BC Corporations Act requires all meetings of shareholders to be held in British Columbia unless: (i) a location outside the province of British Columbia is provided for in the articles; (ii) the articles do not restrict the corporation from approving a location outside of the province of British Columbia for holding of the general meeting and the location of the meeting is approved by the resolution required by the articles for that purpose or by ordinary resolution if no resolution is required for that purpose by the articles; or (iii) if the location for the meeting is approved in writing by the registrar before the meeting is held.

### 3.11 ***Directors' Requirements***

The BC Corporations Act provides that a public corporation must have at least three directors. The directors must be appointed in accordance with the BC Corporations Act and the articles of the corporation. The BC Corporations Act does not have any residency requirements for directors.

### 3.12 ***Removal of Directors***

The BC Corporations Act provides that the shareholders of a corporation may remove one or more directors by a special resolution or by any other method specified in the articles. If holders of a class or series of shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a separate special resolution of the shareholders of that class or series or by any other method specified in the articles.

### 3.13 ***Meaning of "Insolvent"***

Under the BC Corporations Act, for purposes of the insolvency test that must be passed for the payment of dividends and purchases and redemptions of shares, "insolvent" is defined to mean when a corporation is unable to pay its debts as they become due in the ordinary course of its business. The BC Corporations Act does not impose a net asset solvency test for these purposes. For purposes of proceedings to dissolve or liquidate, the definition of "insolvent" from federal bankruptcy legislation applies.

### 3.14 ***Reduction of Capital***

Under the BC Corporations Act, capital may be reduced by special resolution or court order. A court order is required if the realizable value of the corporation's assets would, after the reduction of capital, be less than the aggregate of its liabilities.

### 3.15 ***Compulsory Acquisition***

The BC Corporations Act provides a right of compulsory acquisition for an offeror that acquires 90 per cent. of the securities of a corporation, other than securities held by or on behalf of the offeror

at the date of the offer. The BC Corporations Act also provides that where an offeror does not use the compulsory acquisition right when entitled to do so, a securityholder who did not accept the original offer may require the offeror to acquire the securityholder's securities on the same terms contained in the original offer.

### 3.16 *Investigation/Appointment of Inspectors*

Under the BC Corporations Act, a corporation may, by special resolution, appoint an inspector to investigate the affairs and management of the corporation. Shareholders holding at least 20 per cent. of the issued shares of a corporation may apply to the court for the appointment of an inspector. The court must consider whether there are reasonable grounds for believing there has been oppressive, unfairly prejudicial, fraudulent, unlawful or dishonest conduct.

**This summary is intended to be illustrative only and does not purport to be exhaustive or to constitute legal advice. Any Shareholder wishing to obtain further information regarding their rights as a New Tethyan shareholder under BC Corporations Act should consult their own Canadian legal or other professional advisers.**

Following and subject to its listing, New Tethyan will be required to comply with the TSX-V Rules. As a result of the Scheme, New Tethyan will become a reporting issuer in British Columbia and Alberta, and will be subject to the securities laws and policies of such provinces.

## Part 7

### ADDITIONAL INFORMATION

#### 1. Responsibility Statement

The Directors, whose names are set out in paragraph 2 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility, is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. The Directors

2.1 The Directors of Old Tethyan, and their respective functions, are as follows:

- (1) Richard Warke (*Executive Chairman*)
- (2) Jerrold Annett (*Executive Director and CEO*)
- (3) Fabian Baker (*Executive Director, President and COO*)
- (4) Donald R. Taylor (*Non-Executive Director*)
- (5) Poonam Puri (*Non-Executive Director*)
- (6) Dr Radomir Vukcevic (*Executive Director, Vice-President – Development*)

2.2 Old Tethyan is a public limited company incorporated with registered number 05010663 and having its registered office at 27-28 Eastcastle Street, London, W1W 8DH. The business address of each Director of Old Tethyan is that of Old Tethyan's registered office.

2.3 The current directors of New Tethyan, and their respective functions, are as follows:

- Richard Warke (*Executive Chairman*)
- Jerrold Annett (*Executive Director and CEO*)
- Fabian Baker (*Executive Director, President and COO*)
- Donald R. Taylor (*Non-Executive Director*)
- Poonam Puri (*Non-Executive Director*)
- Dr Radomir Vukcevic (*Executive Director, Vice-President – Development*)

The current directors will continue as directors of New Tethyan on the Effective Date.

New Tethyan is a company with limited liability incorporated in British Columbia, Canada with registered number BC1207836 and having its registered office at Suite 1200 – 750 West Pender Street, Vancouver, BC, V6C 2T8. The business address of each director of New Tethyan is that of New Tethyan's registered office.

#### 3. Old Tethyan 2017 Stock Option Plan

3.1 At the close of business on 29 May 2019 (being the Last Practicable Date) 80,409,132 ordinary shares were issued and 5,980,000 Old Tethyan Options were outstanding.

3.2 As at 29 May 2019 (the Last Practicable Date), there were outstanding Old Tethyan Options over a total of 5,980,000 Old Tethyan Shares representing approximately 7.44 per cent. of the existing issued share capital of Old Tethyan. All outstanding Old Tethyan Options were granted pursuant to the 2017 Stock Option Plan. Details of the Old Tethyan Options are set out below:



<i>Date of Grant</i>	<i>Number of options outstanding</i>	<i>Exercise Price (Cdn\$)</i>	<i>Expiry Date</i>
December 21, 2016	266,667	0.24	December 21, 2021
December 5, 2017	533,333	0.30	December 5, 2022
January 3, 2018	180,000	0.30	January 3, 2023
August 16, 2018	1,100,000	0.25	August 16, 2021
February 28, 2019	3,550,000	0.51	February 28, 2024
March 7, 2019	150,000	0.63	March 7, 2024
April 18, 2019	200,000	0.78	April 18, 2024

3.3 Following the Distribution Date, the outstanding options will be exchanged for options in New Tethyan, exercisable into New Tethyan Shares on the same terms as the Old Tethyan Options. New Tethyan will adopt a stock option plan that is identical to the Old Tethyan 2017 Stock Option Plan.

3.4 Following the Distribution Date, certificates for Old Tethyan Options will be null, void and of no further force and effect. Holders of Old Tethyan Options will be mailed certificates for options in New Tethyan, and will be instructed to destroy existing certificates for their Old Tethyan Options.

#### **4. Warrants**

4.1 At the close of business on 29 May 2019 (being the Last Practicable Date) 25,413,149 Old Tethyan Warrants were granted and were outstanding.

4.2 All outstanding Old Tethyan Warrants were granted pursuant to private placements of Old Tethyan.

4.3 Following the Distribution Date, the certificates representing Old Tethyan Warrants will remain in full force and effect. Pursuant to the reorganisation clauses of the Old Tethyan Warrant certificates, holders of Old Tethyan warrants who exercise such warrants will be entitled to receive New Tethyan Shares in the same amount and at the same exercise price as the Old Tethyan Shares such holder would have been entitled to prior to the Scheme.

#### **5. Major shareholders**

At 6.00 p.m. (Eastern Time) on 29 May 2019 (being the Last Practicable Date) there were 80,409,132 Old Tethyan Shares issued, with each Old Tethyan Share carrying the right to one vote. Only Shareholders of record at the Voting Record Time will be entitled to vote in person or by proxy at the Meeting or any adjournment or postponement thereof.

Old Tethyan has been notified that the following persons own, directly or indirectly, 10 per cent. or more of the Old Tethyan Shares as at 29 May 2019 (being the Latest Practicable Date). Following the Distribution Date, the number of New Tethyan Shares such person will hold is expected to be as follows:

<i>Name</i>	<i>As at 29 May 2019<sup>(1)</sup></i>		<i>On the Distribution Date</i>	
	<i>Number of Old Tethyan Shares</i>	<i>Percentage of issued Old Tethyan Shares</i>	<i>Number of New Tethyan Shares</i>	<i>Percentage of issued New Tethyan Shares</i>
Southern Arc Minerals Inc.	10,028,119	12.47%	10,028,119	12.47%
Radomir Vukcevic	11,430,000	14.21%	11,430,000	14.21%
Richard Warke <sup>(2)</sup>	12,750,000	15.86%	12,750,000	15.86%

Note:

(1) The above information was obtained from insider reports available at [www.sedi.com](http://www.sedi.com).

(2) Old Tethyan Shares beneficially held by Mr. Warke are registered in the name of Augusta Investments Inc.

## 6. Interests in Shares

### 6.1 *Interests of the Directors in relevant securities of Old Tethyan*

As at the Last Practicable Date the interests of the Directors (within the meaning of Part 22 of the Companies Act) and their immediate families, related trusts and connected persons, all of which are beneficial unless otherwise stated, in relevant securities of Old Tethyan were as follows:

<i>Name</i>	<i>Number of Old Tethyan Shares</i>	<i>Percentage of issued ordinary share capital of Old Tethyan (%)</i>
Jerrold Annett	1,650,000	2.05
Fabian Baker	243,131	0.30
Poonam Puri	0	0
Donald Taylor	500,000	0.62
Dr Radomir Vukcevic	11,430,000	14.21
Richard Warke	12,750,000	15.86
<b>Total</b>	<b>26,573,131</b>	<b>33.04</b>

### 6.2 *Interests of the Directors in relevant securities of New Tethyan*

As at the Last Practicable Date no Director nor their immediate families, related trusts and connected persons had any interest in the relevant securities of New Tethyan.

### 6.3 *Interests of the Directors in the 2017 Stock Option Plan*

As at the Last Practicable Date the Directors hold an aggregate of 4,650,000 options granted under the Old Tethyan 2017 Stock Option Plan, at prices exercisable at prices between \$0.24 and \$0.78.

## 7. Interest of Informed Persons in Material Transactions

Except as disclosed below, no informed person (a director, officer or holder of 10 per cent. or more of the Old Tethyan Shares) or any associate or affiliate of any informed person had any interest in any transaction since the commencement of Old Tethyan's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Old Tethyan or any of its subsidiaries.

On 12 January 2018, Dr. Michael Andrews, a former director of Old Tethyan, loaned Old Tethyan £350,000 (approximately C\$600,000) (the "Loan"). The Loan was non-interest bearing and was to mature on the earlier of 6 months or 5 days following the date on which Old Tethyan raised in excess of £1,000,000 by way of an equity or debt financing with a third party. On June 29, 2018, Dr. Michael Andrews settled the loan in consideration for 2,450,000 units of Old Tethyan on completion of the acquisition of Taor d.o.o. Each unit was comprised of one Old Tethyan Share and one-half of one share purchase warrant of Old Tethyan. Each whole warrant is exercisable into one Old Tethyan Share at an exercise price of C\$0.35 for a period of three years.

On 15 November 2017, Southern Arc Minerals Inc. ("Southern Arc"), a company with two directors in common with Old Tethyan, advanced C\$400,000 to Old Tethyan pursuant to a convertible debenture financing. The convertible debenture bore interest annually at a rate of LIBOR plus 4 per cent. and had a maturity date of 15 May 2018. The convertible debenture was convertible at the option of Southern Arc, into securities of Old Tethyan at a share price determined by the share price of Old Tethyan's next equity financing subject to Southern Arc not owning more than 29.99 per cent. of the total issued and outstanding number of Old Tethyan Shares on completion of the financing and that the conversion price could not be less than the market price of the Old Tethyan Shares on that date. As the conversion price was not fixed at the time of issuance, a conversion option was not recognized. Southern Arc settled its C\$400,000 convertible debenture in consideration for 1,600,000 units of Old Tethyan on completion of the Taor d.o.o. acquisition. Each unit was comprised of one Old Tethyan Share and one-half of one share purchase warrant of Old Tethyan. Each whole warrant is to be exercisable into one Old Tethyan Share at an exercise price of C\$0.35 for a period of three years. On 8 November 2018, Southern Arc exercised 45,051 of the warrants it received in exchange for settlement of accrued interest of £9,000 owing to Southern Arc related to the

loan. On 30 December 2018, Southern Arc loaned an additional C\$125,000 to Old Tethyan. This loan carries a onetime financing expense of 5 per cent.. As at 31 December 2018, the balance of this loan including financing expense was £75,000. This amount was paid on 31 January 2019.

During the year ended 31 December 2017, Old Tethyan engaged the services of J. Proust & Associates Inc., a company controlled by a director of both Old Tethyan and Southern Arc. During the year ended 31 December 2018, Old Tethyan incurred £115,000 in fees charged by J. Proust & Associates Inc. for finance, accounting and administrative services. As at 31 December 2018, a balance of £8,601 remains payable to J. Proust & Associates Inc.

## **8. New Tethyan Shares**

- 8.1 New Tethyan was incorporated on 7 May 2019. On incorporation, the subscriber to the New Tethyan memorandum of incorporation was Susy Horna. Following incorporation on 7 May 2019, the one issued and outstanding share of New Tethyan was transferred to Old Tethyan.
- 8.2 As at the date of this document, New Tethyan has no subsidiaries.
- 8.3 The BC Corporations Act comprises the principal legislation under which New Tethyan operated and under which the New Tethyan Shares will be created.
- 8.4 The New Tethyan Shares have not been marketed, nor are they available in whole or in part to the public otherwise than pursuant to the Scheme.
- 8.5 No commissions, discounts, brokerages or other special terms have been granted in respect of the issue of any share capital of New Tethyan.
- 8.6 New Tethyan has not traded since incorporation and has undertaken no activities other than those associated with its administration and the Scheme.
- 8.7 Under the Scheme, New Tethyan will issue New Tethyan Shares, credited as fully paid, to the Scheme Shareholders on the following basis:

<b>for each Scheme Share</b>	<b>one New Tethyan Share.</b>
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- 8.8 The one issued common share in New Tethyan is currently held by Old Tethyan. Prior to the Distribution Date, the one common share in New Tethyan will be purchased by New Tethyan such that New Tethyan will hold the one common share in itself. New Tethyan will cancel this share concurrently with the transfer of the Old Tethyan Shares to New Tethyan and the issuance of the New Tethyan Shares to Scheme Shareholders. At no point, therefore, will New Tethyan be a member of Old Tethyan while Old Tethyan is its holding company and the transfer of Old Tethyan Shares to New Tethyan will not take place while Old Tethyan is a subsidiary of New Tethyan. Sections 136(1)(a) and 136(1)(b) Companies Act 2006 therefore do not apply in relation to the Scheme.
- 8.9 The current shareholder of New Tethyan has passed certain resolutions in order facilitate the Scheme, including:
  - (a) adopting the constitutional documents of New Tethyan; and
  - (b) appointing the directors of New Tethyan.
- 8.10 The current directors of New Tethyan are expected, prior to the Court Meeting, to pass certain resolutions in order facilitate the Scheme, including:
  - (a) appointing the auditor of New Tethyan;
  - (b) approving the Scheme and related documentation;
  - (c) approving the allotment and issuance of the New Tethyan Shares pursuant to the Scheme; and
  - (d) appointing the officers of New Tethyan.

## 9. Associated Risks

The Tethyan Shareholders are advised to read in full Part 8 of this document, which highlights a number of risk factors associated with the Scheme and the Enlarged Group.

## 10. Irrevocable Undertakings

As at the close of business of the Last Practicable Date, Old Tethyan has procured irrevocable undertakings from the following Old Tethyan Directors in relation to their Old Tethyan Shares to vote in favour of the resolutions at the Court Meeting and General Meeting:

### Old Tethyan Directors

<i>Name</i>	<i>Number of Old Tethyan Shares</i>	<i>Percentage of issued ordinary share capital of Old Tethyan (%)</i>
Jerrold Annett	1,650,000	2.05
Fabian Baker	243,131	0.30
Donald Taylor	500,000	0.62
Dr Radomir Vukcevic	11,430,000	14.21
Richard Warke	12,750,000	15.86
<b>Total</b>	<b>26,573,131</b>	<b>33.04</b>

Each of these irrevocable undertakings will cease to be binding if the Scheme lapses or is otherwise withdrawn (and no new replacement Scheme is announced by New Tethyan).

## 11. General

11.1 All references to time in this document and the Forms of Proxy are to London, United Kingdom time unless the context provides otherwise.

11.2 The International Securities Identification Number for Old Tethyan Shares is GB00BDG12Z65.

11.3 Settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which New Tethyan may otherwise be or claim to be, entitled against any such Scheme Shareholder.

11.4 Documents available for inspection

A copy of this document and the documents listed below are available free of charge on Old Tethyan's website, [www.tethyan-resources.com](http://www.tethyan-resources.com) until the Distribution Date. A copy of this document and the Forms of Proxy are also available on the System of Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com) under the issuer profile for Old Tethyan.

Copies of the following documents are also available for inspection upon request during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Memery Crystal LLP (being 165 Fleet Street, London, EC4A 2DY), at Old Tethyan's registered office (being 27-28 Eastcastle Street, London W1W 8DH) or at New Tethyan's registered office (being Morton Law LLP, 1200-750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8) from the date of this document until the Distribution Date:

- (a) the Old Tethyan's Articles;
- (b) a draft of the Old Tethyan's Articles as proposed to be amended at the General Meeting;
- (c) the New Tethyan Articles;
- (d) the Announcement;
- (e) this document and the Forms of Proxy.

## 11.5 Additional Information

Additional information relating to Old Tethyan is available on the System of Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com).

Financial information is provided in Old Tethyan's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year, and available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by email to [info@tethyan-resources.com](mailto:info@tethyan-resources.com).

Dated: 3 June 2019

## Part 8

### RISK FACTORS

Following the Distribution Date and subject to the New Tethyan Shares being admitted to the TSX-V, the New Tethyan Shares will be subject to a number of risks. Accordingly, Shareholders and any prospective New Tethyan Shareholders should consider carefully all of the information set out in this document, including, in particular, the risks described below, prior to making any decision relating to the New Tethyan Shares. In addition, risks relating to Old Tethyan, as described in Old Tethyan's most recent management's discussion and analysis, will apply to New Tethyan following the Distribution Date. A copy of Old Tethyan's most recent management's discussion and analysis is available on the System of Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) under the issuer profile for Old Tethyan.

Additional risks and uncertainties that are not currently known to Old Tethyan or New Tethyan, or that Old Tethyan or New Tethyan currently deem immaterial, may also have an adverse effect on the business of the Enlarged Group. Risks stated as being relevant to the Enlarged Group assume that the Scheme will become Effective, but, unless the context otherwise requires, equally apply to the Group if the Scheme does not become Effective.

The risks listed below do not necessarily comprise all those that the Enlarged Group faces, but do comprise those regarded as material or significant in these circumstances. In addition, this document contains forward looking statements which involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Enlarged Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

#### **Risks relating to the structure of the Scheme**

The Scheme has been structured to take advantage of relief under section 77 of the Finance Act 1986 pursuant to which stamp duty will not be payable on the transfer of the Scheme Shares. This relief will not be granted until after the Scheme has become Effective and therefore, if for any reason HMRC, the tax authority of the United Kingdom, does not grant the relief, there will be a stamp duty liability for New Tethyan of approximately C\$250,000. This would in turn reduce the cash resources of the Group.

#### **Risks relating to the parent company of the Enlarged Group being subject to British Columbia law**

If the Scheme is completed, New Tethyan will be governed by the BC Corporations Act. The rights of Shareholders are currently governed by the Companies Act and Old Tethyan Articles. Although the rights and privileges of shareholders under the BC Corporations Act and New Tethyan Articles are in many instances comparable to those under the Companies Act and Old Tethyan Articles, there are several differences which may not be as advantageous to New Tethyan Shareholders. See Part 6 of this document for a summary of the differences between the Old Tethyan Articles and New Tethyan Articles, and a summary of certain provisions of the BC Corporations Act.

#### **Geology and Reserves**

The exploration for minerals involves significant uncertainties and the Enlarged Group's operations are subject to all of the hazards and risks normally associated with such activities. The risks include not finding any economic mineral bodies and physical dangers to the staff conducting such exploration. There is no assurance that the Enlarged Group's exploration and any future development activities will result in any discoveries of commercial bodies of minerals.

Drilling, logging and sampling results released by the Group are based on interpretations and assumptions. Estimates can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling, which may prove to be unreliable. The Group works with its partners to reduce these risks by carrying out detailed analysis of the data before committing increasing levels of resource.

## **Environmental Regulations**

The Enlarged Group's operations are subject to the extensive environmental risks inherent in the exploration and mining industry. Therefore, the Enlarged Group's operations and exploration activities are subject to environmental regulations promulgated by the governments of Serbia, Kosovo and Bulgaria. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. Failure to comply with such legislation may result in imposition of fines and penalties. Although the Directors believe that the Enlarged Group seeks to be in compliance in all material respects with any applicable environmental laws and regulations, there are certain risks inherent in their activities and those that the Enlarged Group could undertake in the future, including without limitation risks of accidental spills, leakages or other unforeseen circumstances, which could subject the Enlarged Group to additional liability.

In addition, certain types of operations may require submissions to and approval of environmental impact assessments. Environmental laws and regulations may also require the Enlarged Group to acquire permits and other authorizations for certain activities. There can be no assurance that the Enlarged Group will be able to acquire such necessary permits or authorizations on a timely basis, if at all. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Amendments to current Serbian, Kosovan and Bulgarian environmental laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Enlarged Group and causes increases in exploration expenses and capital expenditures, reduction in levels of drilling, or abandonment or delays in exploring new mining properties.

## **Expenditure and Funding**

The Enlarged Group's business requires significant expenditures. As an exploration stage company without revenues from operations, the Enlarged Group needs more capital than it currently has available to it. The Enlarged Group has to raise, by way of debt or equity financing, considerable funds to meet its capital needs. There is no assurance that sufficient funding will be available to the Enlarged Group for further exploration and development of its property interests or to fulfil its obligations under applicable agreements. There can be no assurance that the Enlarged Group will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. In the event that the Enlarged Group will not be able to raise the financing required for the Enlarged Group's planned expenditures, the Enlarged Group will have to reduce its planned expenditures, or possibly even cease to operate.

It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to New Tethyan's shareholders.

If mineable deposits are discovered, substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained at all or on terms acceptable to New Tethyan.

## **Exploration, Mining and Operational Risks**

The Enlarged Group's business operations are at an early stage of development and its success will depend largely upon the outcome of the exploration programmes that the Enlarged Group is undertaking and/or proposes to undertake. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. The mining areas presently being assessed by the Enlarged Group may not contain economically recoverable volumes of gold or other minerals. Delays in the construction and commissioning of mining projects or other technical difficulties may result in the Enlarged Group's current or future projected target dates for production being delayed or further capital expenditure being required. There may be unforeseen environmental problems or liabilities resulting from mining operations and these problems or liabilities may be costly to remedy.



There is no assurance that the Enlarged Group's exploration and any future development activities will result in any discoveries of commercial bodies of minerals. The long term profitability of the Enlarged Group's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the resources, and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Enlarged Group. There can be no assurance that the Enlarged Group's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Enlarged Group may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Exploration for natural resources involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Enlarged Group has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Enlarged Group has or may obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Enlarged Group might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Enlarged Group could incur significant costs that could have a material adverse effect upon its financial condition.

### **Financing Risk**

As an exploration stage company without revenues from operations, the Enlarged Group has limited financial resources. Further exploration and development of one or more of the Enlarged Group's projects will be dependent upon the Enlarged Group's ability to obtain financing through the joint venturing of projects, equity or debt financing or other means. There can be no assurance that such funding by the Enlarged Group will be made available to it and, if such funding is available, that it will be offered on reasonable terms.

Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of new projects with the possible loss of such properties. It is likely that additional capital will be raised through the issuance of additional equity which will result in dilution to New Tethyan's shareholders.

### **Title to Assets**

Although the Enlarged Group has or will receive title for any concessions in which it has or will acquire a material interest, there is no guarantee that title to such concessions will be not challenged or impugned. The Enlarged Group can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Enlarged Group may or may not carry title insurance on its properties. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title provides only minimal comfort that the holder has title. A successful claim that the Enlarged Group (or its option partner) does not have title to a property could cause the Enlarged Group to lose its right to that property, perhaps without compensation for its prior expenditures relating to the property.

### **Transportation Risk**

Delivery to the Enlarged Group's assets of required operating consumables and fuel is most often subject to third party contractors. There are many factors outside the control of the Enlarged Group, which can adversely affect the delivery of key commodities and consumables ranging from elevated transport costs, to significant delays or temporary stoppage in product movement. There remains a risk that contractors will not be able to deliver the necessary operating consumables and fuel due to various factors such as an inadequate number of trucks, poor maintenance of such trucks, or an inadequate number of trained drivers available to operate the trucks. Any interruption in the delivery chain of the consumables to the properties could halt drilling and result in a delay in the Enlarged Group's planned drilling programs. These factors could have a material impact on the Enlarged Group's results of operations and financial condition.

### **Infrastructure Risk**

Mining, processing, and exploration and development activities depend, to some degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that can affect capital and operating costs. Any disruption or curtailment of access or maintenance of such infrastructure, whether it is due to inclement weather, wear and tear, or other reasons could have an adverse material impact on the Enlarged Group's ability to continue its drilling programs due to higher costs or business interruption.

Terrorist activities, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Enlarged Group's exploration and development activities, financial condition and results of operations.

### **Options and Joint Ventures**

The Enlarged Group may, in the future be unable to meet its share of costs incurred under option, joint venture or shareholder agreements to which it is a party and the Enlarged Group may have its interest in the properties subject to such agreements reduced as a result. If the Enlarged Group does not raise the necessary capital to meet its obligations under current contractual obligations, then the Enlarged Group may have to forfeit its interest in the properties or prospects earned or assumed under such contracts. Furthermore, if other parties to such agreements do not meet their share of such costs, the Enlarged Group may be unable to finance the cost required to complete recommended programs.

### **Foreign Operations and Political Risks**

New Tethyan was incorporated in British Columbia, Canada. New government regulations applicable in British Columbia could adversely affect its future business and operations.

While the Enlarged Group believes that the political climate of Serbia, Kosovo and Bulgaria and strong government provide a stable environment for its operations, there is no guarantee against any future political or economic instability in Serbia or neighbouring countries that might adversely affect the Enlarged Group.

Other risks that the Enlarged Group may face in operating in Serbia, Kosovo, Bulgaria and Canada include unforeseen government actions, acts of god, terrorism, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls, export controls and government regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or other events.

All or any of these factors, limitations, or the perception thereof could impede the Enlarged Group's activities, result in the impairment or loss of part or all of the Enlarged Group's interest in the properties, or otherwise have an adverse impact on the Enlarged Group's valuation and stock price.

## **Competition**

The Enlarged Group competes with numerous other companies and individuals in the search for and acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. Competition could adversely affect the Enlarged Group's ability to acquire suitable properties for exploration in the future. Many of these companies have greater financial resources, operational experience and technical capabilities than the Enlarged Group. As a result of this competition, there can be no assurance that the Enlarged Group will be able to acquire or maintain attractive mineral properties or operations on economically acceptable terms. As a result, the Enlarged Group's business, results of operations and financial condition could be materially adversely affected.

## **Legislative Changes**

Changes in Serbian, Kosovan and Bulgarian laws, regulations and policies may adversely affect the mining and exploration operations of the Enlarged Group. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price control, export controls, expropriation of property, environmental legislation, and mine safety. All or any change in rules and/or regulations governing the operations and activities of the Enlarged Group could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

## **Management**

The Enlarged Group is dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Enlarged Group could result, and other persons would be required to manage and operate the Enlarged Group. The Enlarged Group is dependent on a relatively small number of key officers, consultants and employees, the loss of any of whom could have an adverse effect on the Enlarged Group. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Enlarged Group's success.

## **Expatriate and Nationals' Skills**

The Enlarged Group's exploration and development program in Serbia, Kosovo and Bulgaria rely on attracting and retaining expatriate and nationals with mining experience to staff key operations and administration management positions. Failure to attract or retain key individuals with necessary skills could have a materially adverse impact upon the Enlarged Group's success.

## **Labour Risk**

The Enlarged Group is dependent on its workforce to complete its drilling programs, and is therefore sensitive to its ability to source skilled labour in Serbia and the potential for a labour disruption that impacts the Enlarged Group's mining activities or changes to laws.

The Enlarged Group endeavours to maintain good relations with its contractors and workforce in order to minimize the possibility of strikes, lockouts and other stoppages at its properties. Relations between the Enlarged Group and its employees may be impacted by changes in legislation or labour relations that may be introduced by, among other things, employee groups, unions and the relevant governmental authorities in Serbia and may have a material adverse effect on the Enlarged Group's operations and financial conditions.

## **Conflicts of Interest**

Certain directors and officers of the Enlarged Group also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there is the possibility for such directors and/or officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Enlarged Group will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Enlarged Group and its shareholders. Each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with applicable corporate and securities laws of British Columbia, Canada.

### **Negative Operating Cash Flow**

The Group had negative operating cash flow for the nine month transition year ended 31 December 2018, and for the three months ended 31 March 2019. As a result of the expenses to be incurred by the Group in connection with its business objectives, the Directors anticipate that negative operating cash flows will continue for the foreseeable future. Accordingly, the Enlarged Group will require substantial additional capital in order to fund its future exploration and development activities. The Enlarged Group does not have any arrangements in place for this funding and there is no assurance that such funding will be achieved when required. Any failure to obtain additional financing or failure to achieve profitability and positive operating cash flows will have a material adverse effect on its financial condition and results of operations.

### **Risk of Investment**

An investment in the New Tethyan Shares, as well as the Enlarged Group's prospects, is speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment. Investors should carefully consider the risk factors described in this document. There is no assurance that risk management steps taken by the Enlarged Group will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described in this document actually occur, the Enlarged Group's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks in this document and consult with their professional advisors to assess any investment in New Tethyan.

### **No Guarantee of a Positive Return**

There is no guarantee that holders of New Tethyan Shares will earn any positive return in the short term or long term. An investment in the New Tethyan Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the New Tethyan Shares is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

### **Currency exchange risk**

The Enlarged Group will report its financial results in Canadian dollars, while a proportion of the Enlarged Group's costs are incurred in British Pounds, Serbian Dinars, Euros and Canadian Dollars. Accordingly, movements in the Canadian dollar exchange rate with these currencies could have a detrimental effect on the Enlarged Group's results or financial condition which could mean that it might record higher costs than would otherwise be the case, or even that it might not be able to afford to carry out certain exploration activities, and/or not be able to complete certain projects.

The Enlarged Group's material property, the Suva Ruda Project is located in Serbia and the Enlarged Group is therefore exposed to fluctuations of Sterling with other currencies to which the Enlarged Group is exposed, which are primarily US dollar, Australian dollar, Canadian dollar, Euro and Serbian dinar. Fluctuations in currency exchange rates could significantly affect the Enlarged Group's business, financial condition, results of operations and liquidity.

### **Liquidity risk**

The Group has to date relied upon shareholder and joint venture partners' funding of its activities. Exploration activities or the acquisition of new opportunities may be dependent upon the Enlarged Group's ability to obtain further financing through joint ventures, equity or debt financing or other means. Although the Group has been successful in the past in obtaining financing, there can be no assurance that the Enlarged Group will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If it fails to obtain the necessary funding then it may not be able to complete or maintain its interest in certain projects, and may even have to cease to operate.

### **Insurance risk**

The Directors believes the Group maintains adequate insurance coverage to protect against certain risks at levels it considers reasonable. However, its insurance will not cover all the potential risks associated with a mining company's operations. The Enlarged Group may also be unable to maintain insurance to cover these

risks at economically feasible premiums. In addition, insurance coverage may not continue to be available in the future and may not be adequate to cover any resulting liability.

### **Other Risks and Uncertainties**

The Enlarged Group is subject to a number of other risk and uncertainties that could adversely affect the Enlarged Group's business, financial condition, and operating results, and its plans and expectations about the future including, without limitation, risk that: (i) the Enlarged Group becomes involved in any material disputes with any of its key business partners or suppliers; (ii) the Enlarged Group is subject to any adverse ruling in any possible future litigation that the Enlarged Group may be a party of; (iii) the Enlarged Group incurs unanticipated power interruptions or failures that are required for the effective operation and drilling of the Suva Ruda Property or its other assets; (iv) fluctuating trends in the supply and costs of parts or fuel that can make the planning of the Enlarged Group's business more difficult; and (v) any unexpected costs or repairs to the Enlarged Group's assets.

## Part 9

### DEFINITIONS

In this document (with the exception of Part 4, Part 10 and Part 11 of this document), the following words and expressions have the following meanings unless the context requires otherwise:

<b>“Announcement”</b>	the announcement made by Old Tethyan on 21 May 2019 relating to the Scheme;
<b>“BC Corporations Act”</b>	the <i>Business Corporations Act</i> (British Columbia) S.B.C. 2001 c. 57 (as amended from time to time);
<b>“Board”</b>	the Directors of Old Tethyan as at the date of this document;
<b>“Broadridge”</b>	Broadridge Financial Solutions, Inc.;
<b>“CDS”</b>	the Canadian Depository for Securities Limited;
<b>“Canadian Register”</b>	the sub-register of holders of Old Tethyan Shares maintained by Computershare Canada;
<b>“certificated” or “in certificated form”</b>	a share which is not in uncertificated form (that is, not held in CREST, CDS, or by Computershare in book-only form);
<b>“CA 1985”</b>	the UK Companies Act 1985;
<b>“City Code”</b>	The City Code on Takeovers and Mergers;
<b>“Companies Act”</b>	The UK Companies Act 2006 (as amended from time to time);
<b>“Computershare Canada”</b>	Computershare Investor Services Inc., being the registrar and transfer agent for New Tethyan and co-agent for Old Tethyan;
<b>“Computershare UK”</b>	Computershare Investor Services Plc, being the registrar and transfer agent for Old Tethyan;
<b>“Conditions”</b>	the conditions of the Scheme set out in Section A of Part 3 of this document, and “Condition” shall mean any of them;
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders convened by order of the Court pursuant to Part 26 of the Companies Act to be held at 11.15 a.m. on 28 June 2019 to consider and, if thought fit, approve the Scheme, notice of which is set out in Part 10 of this document (including any adjournment thereof);
<b>“Court”</b>	the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD);
<b>“CRA”</b>	the Canada Revenue Agency;
<b>“CREST Manual”</b>	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual and the CREST Glossary of Terms;
<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations) of which Euroclear is the Operator (as defined in the Uncertificated Securities Regulations);

<b>“Directors”</b>	the directors of Old Tethyan, from time to time, whose names are set out in paragraph 2.1 of Part 7 of this document, including a duly constituted committee thereof;
<b>“Distribution Date”</b>	the date on which New Tethyan Shares will be issued to Scheme Shareholders pursuant to the Scheme;
<b>“DRS Advice”</b>	a Direct Registration System Advice, being a record of registered securities held in electronic form through the Direct Registration System by Computershare Canada;
<b>“Eastern Time”</b>	the time in Toronto, Ontario, Canada;
<b>“Effective”</b>	the Scheme having become Effective pursuant to its terms;
<b>“Effective Date”</b>	the day on which the Scheme becomes Effective in accordance with clause 8 of the Scheme;
<b>“Electing Resident Canadian Shareholder”</b>	has the meaning set out in Section 2.1 of Part 5 of this document;
<b>“Enlarged Group”</b>	following the Scheme becoming Effective, New Tethyan and its subsidiaries and subsidiary undertakings from time to time;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST;
<b>“Financial Conduct Authority”</b>	the Financial Conduct Authority in its capacity as a regulator under FSMA;
<b>“Form(s) of Proxy”</b>	as the context may require, either or both of (i) the BLUE Form of Proxy for use at the Court Meeting and (ii) the WHITE Form of Proxy for use at the General Meeting, each of which accompanies this document;
<b>“FSMA”</b>	The Financial Services and Markets Act 2000 (as amended)
<b>“General Meeting”</b>	the general meeting of the Shareholders to be held at 11.30 a.m. on 28 June 2019 (or as soon thereafter as the Court Meeting shall have been concluded), notice of which is set out in Part 11 of this document (including any adjournment thereof);
<b>“Group”</b>	Old Tethyan, its subsidiaries and subsidiary undertakings as at the date of this document;
<b>“HMRC”</b>	HM Revenue & Customs, a non-ministerial department of the United Kingdom government;
<b>“Income Tax Act”</b>	the <i>Income Tax Act</i> (Canada), R.S.C., 1985, c. 1 (5 <sup>th</sup> supp) and the regulations thereunder, as amended from time to time;
<b>“Intermediary”</b>	brokers, investment firms, clearing houses and similar entities that own securities on behalf of non-registered Shareholders;
<b>“Long Stop Date”</b>	31 July 2019 or such earlier or later date as New Tethyan and Old Tethyan may agree and/or the Court may allow;
<b>“Meetings”</b>	the Court Meeting and the General Meeting (and <b>“Meeting”</b> means either of them);



<b>“New Tethyan Articles”</b>	the articles of New Tethyan at the date of this document;
<b>“New Tethyan”</b>	Tethyan Resource Corp., incorporated on 7 May 2019 in the Province of British Columbia, Canada, with registered number BC1207836 and having its registered office at Suite 1200 – 750 West Pender Street, Vancouver, BC, V6C 2T8;
<b>“New Tethyan Shares”</b>	the common shares in the capital of New Tethyan proposed to be issued and credited as fully paid pursuant to the Scheme;
<b>“Non-Electing Resident Canadian Shareholder”</b>	has the meaning set out in Section 2.1 of Part 5 of this document;
<b>“Non-Registered Canadian Shareholders”</b>	Shareholders whose Old Tethyan Shares are not registered in their own name and whose holdings are held through the Canadian Register;
<b>“Notice of General Meeting”</b>	the notice of General Meeting set out in Part 11 of this document;
<b>“Notice Record Time”</b>	6.00 p.m. (Eastern Time) on 24 May 2019;
<b>“Old Tethyan”</b>	Tethyan Resources Plc, incorporated in England and Wales with company registration number 3781581;
<b>“Old Tethyan Articles”</b>	the articles of association of Old Tethyan at the date of this document;
<b>“Old Tethyan Options”</b>	the options over Old Tethyan Shares granted under or pursuant to the Old Tethyan 2017 Stock Option Plan which have not lapsed, or been exercised, in accordance with their terms at the date of this document;
<b>“Old Tethyan Shares”</b>	ordinary shares of 0.6 pence each in the capital of Old Tethyan and <b>“Old Tethyan Share”</b> shall be construed accordingly;
<b>“Old Tethyan 2017 Stock Option Plan”</b>	the plan pursuant to which Old Tethyan has granted option to purchase Old Tethyan Shares from time to time;
<b>“Old Tethyan Warrants”</b>	the warrants exercisable into Old Tethyan Shares issued by Old Tethyan which have not lapsed, or been exercised, in accordance with their terms at the date of this document;
<b>“Overseas Shareholders”</b>	Shareholders who are resident in, or nationals or citizens of, jurisdictions outside the UK and Canada or who are nominees of, or custodians or trustees for, residents, citizens or nationals of other countries;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Pounds” or “£” or “sterling” or “pence”</b>	UK pounds or pence (as applicable) sterling, the lawful currency of the UK;
<b>“Proposal”</b>	the recommended acquisition by New Tethyan of the entire issued share capital of Old Tethyan to be effected by way of the Scheme and subject to the Conditions and on the terms of this document including, where the context so requires, any subsequent revision, variation, extension or renewal of such proposal;
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales;

<b>“Regulatory Information Service”</b>	any information services authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;
<b>“Resident Canadian Shareholder”</b>	has the meaning set out in Part 5 of this document;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Proposal is sent or made available to Shareholders in that jurisdiction;
<b>“Scheme” or “Scheme of Arrangement”</b>	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Old Tethyan and the holders of Scheme Shares as set out in Part 4 of this document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Old Tethyan and New Tethyan;
<b>“Scheme Court Hearing”</b>	the hearing at which the Scheme Court Order is presented;
<b>“Scheme Court Order” or “Court Order”</b>	the order of the Court granted at the Scheme Court Hearing to approve the Scheme under Part 26 of the Companies Act;
<b>“Scheme Record Time”</b>	close of business (Eastern Time) on the TSX-V Record Date;
<b>“Scheme Resolutions”</b>	the resolution to be proposed at the Court Meeting and the special resolution number 1 (being the Special Resolution) to be proposed at the General Meeting, in both cases to approve and give effect to the Scheme;
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares;
<b>“Scheme Shares”</b>	the aggregate of: <ul style="list-style-type: none"> <li>(a) the Old Tethyan Shares in issue at the date of this document;</li> <li>(b) the Old Tethyan Shares (if any) issued after the date of this document and prior to the Voting Record Time; and</li> <li>(c) the Old Tethyan Shares (if any) issued on or after the Voting Record Time and prior to the Scheme Record Time either on terms that the original holder or any subsequent holder thereof shall be bound by this Scheme or in respect of which the holder thereof shall have agreed in writing to be bound by this Scheme;</li> </ul>
<b>“Section 85 Election”</b>	has the meaning set out in Section 2.1 of Part 5 of this document;
<b>“Shareholders”</b>	the holders of Old Tethyan Shares from time to time;
<b>“Special Resolution”</b>	special resolution number 1 set out in the Notice of General Meeting to be proposed at the General Meeting to approve, amongst other things, the Scheme;
<b>“subsidiary” or “subsidiary undertaking” or “undertakings” or “associated undertakings”</b>	have the meanings given by the Companies Act;
<b>“Tax Election Instructions”</b>	has the meaning set out in Section 2.1 of Part 5 of this document;
<b>“Tethyan Shares”</b>	common shares of in the capital of New Tethyan;

<b>“trading day”</b>	any day on which shares are traded on the TSX-V;
<b>“TSX-V”</b>	TSX Venture Exchange;
<b>“TSX-V Record Date”</b>	the date for determining Scheme Shareholders entitled to receive New Tethyan Shares;
<b>“TSX-V Rules”</b>	the rules of the TSX-V as set out in the TSX Venture Exchange Corporate Finance Manual;
<b>“UK Register”</b>	the register of holders of Old Tethyan Shares maintained by Computershare UK;
<b>“Uncertificated Securities Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended);
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, CDS or by Computershare in book-only form;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States” 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;
<b>“US Exchange Act”</b>	the United States Securities Exchange Act of 1934, as amended, and rules and regulations thereunder;
<b>“US Securities Act”</b>	the United States Securities Act 1933 (as amended) and the rules and regulations promulgated thereunder; and
<b>“Voting Record Time”</b>	11.30 p.m. on the day which is two days before the date of the Court Meeting or, if such Court Meeting is adjourned, 11.30 p.m. on the day which is two days before the day of such adjourned meeting.

In this document and the Forms of Proxy, references to the singular includes the plural and vice versa, unless the context otherwise requires.

## Part 10

### NOTICE OF COURT MEETING

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
INSOLVENCY AND COMPANIES LIST (ChD)**

**No. CR-2019-003088**

#### **IN THE MATTER OF TETHYAN RESOURCES PLC**

and

#### **IN THE MATTER OF THE COMPANIES ACT 2006**

**NOTICE IS HEREBY GIVEN** that, by an order dated 29 May 2019 made in the above matter, the Court has directed a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between Tethyan Resources Plc (the “**Company**”) and the Scheme Shareholders (as defined in the Scheme of Arrangement) and that such meeting will be held at the offices of Memery Crystal LLP at 165 Fleet Street, London EC4A 2DY on 28 June 2019 at 11.15 a.m., at which place and time all holders of the Scheme Shares (as defined in the Scheme of Arrangement) are requested to attend.

At the Court Meeting, the following resolution will be proposed:

“That the scheme of arrangement dated 3 June 2019 (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof in its original form or with or subject to any modification, addition or condition approved or imposed by the Court, be approved.”

A copy of the Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

Scheme Shareholders entitled to attend and vote at the meeting may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A BLUE Form of Proxy for use at the Court Meeting is enclosed with this notice. Further details with respect to the BLUE Form of Proxy are set out below. Completion of the BLUE Form of Proxy will not prevent a Scheme Shareholder from attending and voting at the Court Meeting, or any adjournment thereof, in person if he wishes to do so. Holders of Scheme Shares entitled to attend and vote at the meeting who hold their shares through CREST may appoint a proxy or proxies using CREST by following the instructions in note (3) below. Non-Registered Canadian Shareholders may appoint a proxy by following the instructions in note (4) below.

**Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to a different share or shares held by such holder. A space has been included in the BLUE Form of Proxy to allow Scheme Shareholders to specify the number of Scheme Shares in respect of which that proxy is appointed. Scheme Shareholders who return the BLUE Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all their Scheme Shares.**

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company’s registrar, Computershare Investor Services PLC for further BLUE Forms of Proxy or photocopy the BLUE Form of Proxy as required. Such Scheme Shareholders should also read note (6) set out on the BLUE Form of Proxy and the principles that will be applied in relation to multiple proxies.

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose,

seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Entitlement to attend and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 11.30 p.m. on the day which is two days before the date of the Court Meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time shall be disregarded.

It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority under which it is signed, or a notarially certified copy of such power of authority) be lodged by post with the Company's registrar, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by hand (during normal business hours) at the same address not less than 48 hours before the time appointed for the said meeting but if forms are not so lodged, they may be handed to the Chairman before the start of the meeting.

**Scheme Shareholders should note that if they wish to appoint more than one proxy they should request additional BLUE Forms of Proxy from the Company's registrars, Computershare Investor Services PLC and submit them in accordance with the instructions set out in the preceding paragraphs.**

By the said order, the Court has appointed Fabian Baker, or, failing him, Jerrold Annett any of to act as chairman of the Court Meeting and has directed the chairman to report the result thereof to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

Dated: 3 June 2019

Memery Crystal LLP  
165 Fleet Street  
London  
EC4A 2DY  
**Solicitors for the Company**

**Notes:**

1. A BLUE Form of Proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning a BLUE Form of Proxy will not prevent the shareholder from attending and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
2. It is requested that a BLUE Form of Proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received at the offices of Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not less than 48 hours before the time of the meeting (in other words, by 11.15 a.m. on 26 June 2019) or, as the case may be, the adjourned meeting. A reply-paid envelope has been provided for this purpose for use in the United Kingdom only. BLUE Forms of Proxy returned by fax or email will not be accepted. BLUE Form of Proxy not returned by that time may be handed to the chairman of the meeting before the poll is taken and will still be valid.
3. Shareholders who hold their shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so 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 providers, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ("CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear specifications and must contain the information required for such instructions as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. 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. After this time any change of instructions to proxies appointed 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 Euroclear 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 CREST Manual can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). 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.

4. Non-Registered Canadian Shareholders will receive a voting instruction form from Broadridge. The voting instruction form will name the same persons as the Forms of Proxy to represent you at the Meetings. Although as a Non-Registered Canadian Shareholder you may not be recognized directly at the Meetings for the purposes of voting Scheme Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the meeting as proxyholder for your Intermediary and vote your Scheme Shares in that capacity. To exercise this right to attend the meeting or appoint a proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the meetings as proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form. Voting instruction forms cannot be used to vote Scheme Shares directly at the Meetings. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the meeting in order to have the Scheme Shares voted.
5. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
6. If you wish to appoint multiple proxies, you may: (a) photocopy a BLUE Form of Proxy, fill in each copy in respect of different shares and send the multiple forms together to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or (b) alternatively contact Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY who will then issue you with multiple BLUE Forms of Proxy. In each case, please ensure that all of the multiple BLUE Forms of Proxy in respect of one registered holding are sent in the same envelope if possible.
7. Subject to the following principles where more than one proxy is appointed, where a BLUE Form of Proxy does not state the number of shares to which it applies ("blank proxy") then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name ("your entire holding"). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies ("specific proxy"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (*pro rata* if there is more than one).
8. Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
9. If two or more valid but different BLUE Forms of Proxy are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of that share.
10. If conflicting BLUE Forms of Proxy are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
11. Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced *pro rata* (on the basis that as far as possible, conflicting BLUE Forms of Proxy should be judged to be in respect of different shares).
12. Where the application of note (11) above gives rise to fractions of shares, such fractions will be rounded down to the nearest whole number of shares.
13. If you appoint a proxy or proxies and then decide to attend the meeting in person and vote using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case, but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
14. In relation to note (12) above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
15. A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (i.e. a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
16. If you are in any doubt about completing the BLUE Form of Proxy, please contact Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
17. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by way of a letter addressed to the chairman of the meeting.
18. Voting on the resolution at the meeting will be conducted on a poll rather than a show of hands.
19. To cast your vote online please go to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Please refer to the BLUE Form of Proxy received by you for your Control Number and personal PIN.



## Part 11

### NOTICE OF GENERAL MEETING

# TETHYAN RESOURCES PLC

(the “Company”)

*(Registered in England and Wales with company registration number 3781581)*

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** of the Company will be held at the offices of Memery Crystal LLP at 165 Fleet Street, London EC4A 2DY at 11.30 a.m. on 28 June 2019 (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) convened for 11.15 a.m. on the same day and at the same place, by an order of the High Court of Justice in England & Wales (the “Court”), shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as special resolution:

### SPECIAL RESOLUTION

#### 1. THAT:

- 1.1 the scheme of arrangement dated 3 June 2019 (in its original form or with or subject to any modification, addition or condition approved or imposed by the Court) (the “Scheme”) proposed to be made between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to the meeting and for the purpose of identification signed by the chairman of this meeting, be approved and the directors of the Company be authorised to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- 1.2 for the purpose of giving effect to the Scheme:
  - (a) the directors of the Company be generally and unconditionally authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
  - (b) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 174:

### “SCHEME OF ARRANGEMENT

#### 174. Scheme of Arrangement

- (i) In this article, the “Scheme” means the scheme of arrangement dated 3 June 2019, between the Company and the holders of its Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and/or agreed by the Company and Tethyan Resources Corp. (“New Tethyan”) and (save as defined in this article) expressions defined in the Scheme shall have the same meanings in this Article 174.
- (ii) Notwithstanding any other provision of these articles, if the Company issues any ordinary shares (other than to New Tethyan or its nominee(s)) after the adoption of this article and before the Scheme Record Time (as defined in the Scheme), such ordinary shares shall be issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the holders of such ordinary shares, and any subsequent holder of such ordinary shares (other than New Tethyan and/or its nominee or nominees) shall be bound by the Scheme accordingly.
- (iii) Subject to the Scheme becoming Effective (as defined in the Scheme), if any ordinary shares in the Company are issued to any person (a “New Member”) (or transferred to any subsequent holder or any nominee of such New Member or any subsequent holder) (other than under the Scheme or to New Tethyan or its nominee(s)) after the Scheme Record Time (the “Transfer Shares”), they shall (on the Distribution Date (as defined in the Scheme) or, if later, on issue) be immediately transferred to New Tethyan (or as it may direct) in consideration of the issue by New Tethyan to the New Member (or to any transferee if such shares have been so transferred to any



subsequent holder or any nominee of such New Member or any subsequent holder) of such number of new common shares in New Tethyan as the New Member would have been entitled to receive in aggregate if the Transfer Shares transferred hereunder had been Scheme Shares and the New Member had been the holder thereof at the Scheme Record Time.

- (iv) To give effect to any transfer required by Article 174(C) above, the Company may appoint any person as agent and attorney for the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) to transfer the Transfer Shares to New Tethyan and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the agent be necessary or desirable to vest the Transfer Shares in New Tethyan and/or its nominee(s) and pending such vesting, to exercise all such rights attaching to the Transfer Shares as New Tethyan may direct. If any agent is so appointed, the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) shall not thereafter (except to the extent that the agent fails to act in accordance with the directions of New Tethyan) be entitled to exercise any rights attaching to the Transfer Shares unless so agreed by New Tethyan. The agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of New Tethyan and/or its nominee(s) and the Company may give good receipt for the consideration for the Transfer Shares and may register New Tethyan and/or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the Transfer Shares. New Tethyan shall issue new common shares in New Tethyan by such date as New Tethyan will agree with the Company and in any event within 10 business days of the issue of the Transfer Shares to the New Member.
  - (v) If the Scheme shall not have become Effective by the date referred to in clause 8.2 of the Scheme, this Article 174 shall be of no effect.
  - (vi) Notwithstanding any other provision of these articles, neither the Company nor the Directors shall issue or allot any ordinary shares between the Scheme Record Time and the Distribution Date, or register the transfer of any Scheme Shares effected between the Scheme Record Time and the Distribution Date.
  - (vii) For the avoidance of doubt, the provisions of this Article 174 shall not apply to any other classes of shares allotted and issued by the Company (if any).”;
- 1.3 conditional on the Scheme becoming Effective, the Company shall be re-registered as a private limited company and the name of the Company be changed to Tethyan Resources Limited; and
- 1.4 conditional on the Scheme becoming Effective, the listing of the Company’s shares on TSX-V be cancelled.

Dated: 3 June 2019

*Registered Office*

27-28 Eastcastle Street  
London  
W1W 8DH

**BY ORDER OF THE BOARD**

Susy Horna  
*Company Secretary*

**Notes**

1. Only those members registered on the Company’s register of members at:
  - 1.1 11.30 p.m. on 26 June 2019; or,
  - 1.2 if this General Meeting is adjourned, at 11.30 p.m. on the day two days prior to the adjourned General Meeting, shall be entitled to attend and vote at the General Meeting.
2. Information regarding the General Meeting is available on the Company’s website [www.tethyan-resources.com](http://www.tethyan-resources.com).
3. If you wish to attend the General Meeting in person, you may be asked for your name and address to confirm your identity.
4. If you are a member of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a WHITE Form of Proxy. You can only appoint a proxy using the procedures set out in these Notes and the notes to the WHITE Form of Proxy.

5. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the WHITE Form of Proxy are set out in the notes to the WHITE Form of Proxy. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, one or more additional WHITE Forms of Proxy may be obtained by contacting the Company's registrar, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY for one or more additional WHITE Forms of Proxy or you may photocopy your WHITE Form of Proxy. Please follow the instructions in the explanatory notes to the Form of Proxy in relation to the appointment of more than one proxy.
7. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
8. The notes to the WHITE Form of Proxy explain how to direct your proxy to vote on the Resolution or withhold their vote.  
To appoint a proxy using the WHITE Form of Proxy, the form must be:
  - (1) completed and signed;
  - (2) sent or delivered to Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
  - (3) received by Computershare Investor Services Plc no later than 11.30 a.m. on 26 June 2019 (or, if the General Meeting is adjourned, no later than 48 hours before the time of the adjourned General Meeting).
9. In the case of a member which is a company, the WHITE Form of Proxy 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 WHITE Form of Proxy is signed (or a duly certified copy of such power or authority) must accompany the WHITE Form of Proxy.  
  
A pre-addressed envelope has been included for use in returning your proxy form. Please note that postage has not been paid for non-UK shareholders.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be viewed electronically at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message (a 'CREST Proxy Voting Instruction') must be properly authenticated with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST Manual. This message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST Participant ID 3RA50) by 11.30 a.m. on 26 June 2019. 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.
12. CREST members and, where applicable, their CREST sponsor or voting service provider, should note that Euroclear 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 Voting 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, to procure that his or her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In connection with this, CREST members and, where applicable, their CREST sponsor or voting service provider 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. In any case a proxy form must be received by the Company's Registrars no later than 11.30 a.m. on 26 June 2019.
14. Non-Registered Canadian Shareholders will receive a voting instruction form from Broadridge. The voting instruction form will name the same persons as the Forms of Proxy to represent you at the Meetings. Although as a Non-Registered Canadian Shareholder you may not be recognized directly at the Meetings for the purposes of voting Scheme Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the meeting as proxyholder for your Intermediary and vote your Scheme Shares in that capacity. To exercise this right to attend the meeting or appoint a proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the meetings as proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form. Voting instruction forms cannot be used to vote Scheme Shares directly at the Meetings. The voting instruction form must be completed as described and returned in accordance with its instructions well in advance of the meeting in order to have the Scheme Shares voted.

15. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
16. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy WHITE Form of Proxy and would like to change the instructions using another hard-copy WHITE Form of Proxy, please contact Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. 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.
17. 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 Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. 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 of authority) must be included with the revocation notice. The revocation notice must be received by Computershare Investor Services Plc no later than 11.30 a.m. on 26 June 2019 (or, if the General Meeting is adjourned, no later than 48 hours before the time of the adjourned General Meeting). If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then, subject to the paragraph directly below, your proxy appointment will remain valid.

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

18. A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (i.e. a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
19. As at 29 May 2019 (being the latest practicable date prior to the publication of this document), the Company's issued ordinary share capital comprised 80,409,132 ordinary shares of 0.6 pence 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 29 May 2019 is 80,409,132.
20. If you are in any doubt about completing the WHITE Form of Proxy, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
21. To cast your vote online please go to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Please refer to the WHITE Form of Proxy received by you for your Control Number and personal PIN.



