

9 June 2014

**HUNTER RESOURCES PLC**  
**(“Hunter” or the “Company”)**

**The Proposed Acquisition of Gold Hunter S.A.C.; Proposed Placing & Subscription for New Ordinary Shares;  
Proposed Admission to AIM of the Enlarged Share Capital; and Notice of General Meeting**

Hunter Resources Plc (AIM: HUN) is pleased to announce the proposed acquisition of Gold Hunter S.A.C.. This acquisition will constitute a reverse takeover under the AIM Rules; the Company has today published an Admission Document and posted this document and accompanying notice of general meeting to its shareholders, as well as publishing it on the Company’s website <http://www.hunter-resources.com/>. Key information from the Admission Documents has been extracted below. The General Meeting will be held on 30 June 2014 with Admission expected to follow on 1 July 2014, subject to Shareholder approval.

Enquiries:

**Hunter Resources plc**

**Allenby Capital (Nomad and Broker)**

Simon Hunt

Nick Naylor/Nick Harriss/Michael McNeilly

Chairman

**Letter from the Chairman of Hunter Resources plc**

Dear Shareholder,

**Proposed acquisition of Gold Hunter, proposed share consolidation, proposed increase in share capital, proposed authority to allot Ordinary Shares, proposed disapplication of pre-emption rights, proposed subscription for Subscription Shares and placing of the Placing Shares, proposed grant of Warrants, proposed conversion of the Convertible Loan Notes, proposed adoption of new memorandum and articles of association and re-registration of the Company under the IOM Act 2006, proposed Admission of the Enlarged Share Capital and notice of meetings of holders of Ordinary Shares and Deferred Shares.**

**Introduction**

Since becoming an Investing Company on 28 December 2012, the Board has reviewed several investment opportunities in natural resource exploration and development projects. The Board’s initial focus was on South America, later narrowed down to Peru due to the Board’s belief in the resource potential that it offers, its established mining regulatory regime and the presence of many of the world’s largest mining companies. The Management Team was identified by the Board as having the technical and financial management capabilities needed to see a project through development and into operation, combined with extensive experience in Peru.

The Management Team, through its vehicle Global Pearl, has secured an interest in the Pampamali Project, a potentially high grade gold and silver project, with base metal credits, consisting of 36 veins identified from surface outcrops. The high-grade veins have mapped outcrops of between 200 and 2,000 metres in length, with widths ranging from 0.20 to over 3.00 metres. The Pampamali Project consists of 8 exploration concessions with a total area of approximately 3,500 hectares and is located in the Department of Huancavelica, Peru, approximately 563 km by road from the City of Lima.

Through Global Pearl's wholly-owned subsidiary, Gold Hunter, the Management Team has entered into the JV Agreement which allows Gold Hunter to farm in to the Pampamali Project in return for a combination of cash payments to the existing owners of the Pampamali Project and making additional investment in exploration activities on the project concessions, whereby over time and in various stages an economic interest of up to 80 per cent. can be acquired. Subject amongst other things to the passing of the Resolutions, completion of the Acquisition and the Company raising at least the Minimum Subscription, Gold Hunter will be able to pursue the Pampamali Project through to the end of its first stage, which would see Gold Hunter, subject to exploration results being satisfactory, exercising its option to hold a 20 per cent. stake in the Pampamali Project. This staged acquisition of an interest in the Pampamali Project enables the potential to be thoroughly explored and assessed by the Company in a controlled manner, both in terms of risk and expenditure. Further details of the JV Agreement are provided in paragraph 12.9 of Part VI of this Document.

In addition to the Pampamali Project, the Management Team has identified certain other potential opportunities in Peru which are under consideration.

### **Principal terms of the Acquisition**

As announced today, and further to the Company's announcement on 30 December 2013 concerning the MOU, the Company has entered into the Acquisition Agreement under which it would acquire 100 per cent. of the issued share capital of Gold Hunter, and therefore Gold Hunter's interest in the JV Agreement, in consideration for the issue of the Consideration Shares. The Acquisition constitutes a Reverse Takeover and, accordingly, the Acquisition and the Acquisition Agreement are conditional, inter alia, on Shareholders approving the Resolutions at the General Meeting and the Admission of the Enlarged Share Capital to trading on AIM. The number of Consideration Shares will equate to 10 per cent. of the Enlarged Share Capital. Further details of the Acquisition Agreement are set out in paragraph 12.2 of Part VI of this Document.

The Company has also entered into the Consultancy Agreement, under which, conditional upon Admission, and therefore completion of the Acquisition, the Management Team will provide certain assistance in connection with the operations of Gold Hunter in Peru. Further details of the Consultancy Agreement are provided in paragraph 12.7 of Part VI of this document. In addition to the issue of the Consideration Shares, Global Pearl will, on Admission and subject to the terms and conditions set out in the Consultancy Agreement, receive the Global Pearl Warrants which are exercisable for a three year period from the date that they vest. Further details of the Global Pearl Warrants can also be found in paragraph 12.7 of Part VI of this Document.

### **Funding**

Since 3 March 2014, the Company has received interim funding from Marine of £100,000 through the Second Convertible Loan Note and \$80,000 through the Third Convertible Loan Note. Further details of these facilities are provided in paragraph 15 of Section B of Part I of this Document. Subject, amongst other things, to the passing of the Resolutions and to Admission, the Company is proposing to raise up to the Maximum Subscription through the Placing and the Subscription. In addition, and subject, amongst other things, to the passing of the Resolutions and achieving the Minimum Subscription, on Admission it is proposed that the First Convertible Loan Note will be converted into New Ordinary Shares at £0.01 per New Ordinary Share and that the Second and Third Convertible Loan Notes will be converted into New Ordinary Shares at a conversion price equal to the Placing Price. If the Company raised the Maximum Subscription, and assuming no change in the amount drawn down under the Third Convertible Loan Note, the Subscription Shares, the New Ordinary Shares to be issued on conversion of the Second and Third Convertible Loan

Notes and the Placing Shares would together represent approximately 58.14 per cent. of the Enlarged Share Capital on Admission and, on Admission, the Company would have a market capitalisation of approximately £2.15 million based on the Placing Price.

The Company proposes to use the net funds raised through the Placing and the Subscription to carry out initial exploration works on the Pampamali Project and for working capital purposes and, subject to suitable exploration results, to exercise the option to purchase a 20 per cent. stake in the Pampamali Project. The Board believes that subject to achieving the Minimum Subscription, the amount of net funds raised by the Company through the Placing and the Subscription will be sufficient to fund the first phase of proposed works on the Pampamali Project but, if the Company decides to proceed with the second phase or any subsequent works on the Pampamali Project, the Company would first need to raise additional funds.

Further details about the Placing, the Subscription and the Conversion, and the use of the net proceeds, are set out in paragraphs 11 and 15 of Section B of Part I of this Admission Document.

### **Proposed Director**

On Admission, Mr Andrew Richards will join the board of the Enlarged Group as a Non- Executive Director.

Further details on the Directors, the Proposed Director and their respective roles are set out in paragraph 12 of Section B of Part I of this document.

In addition, pursuant to the Acquisition Agreement, Global Pearl has the right to nominate one person from time to time as a director of the Company, such appointment to be subject to the prior approval of the then directors of the Company, and subject to appropriate due diligence processes carried out by the nominated adviser to the Company under the AIM Rules.

### **Share Consolidation**

A resolution will also be proposed at the General Meeting to consolidate the Company's Existing Share Capital on the basis of every 10 Existing Ordinary Shares being consolidated into one New Ordinary Share, with any fractional entitlements arising from the Consolidation being aggregated and sold in the market on behalf of the relevant Shareholders and the proceeds donated to charity. The Board believes that this will help improve the marketability of the Company's ordinary shares by, amongst other things, creating a higher trading price per Ordinary Share which it is hoped will result in a narrowing of the spread between the bid and ask market price of the New Ordinary Shares. To mirror the consolidation of the Ordinary Shares the Company is also proposing to consolidate the Deferred Shares on the basis of every Deferred Share of £0.009 being consolidated into one New Deferred Share of £0.09. The Company will propose this reorganisation as a resolution at the General Meeting, but will also seek the consent of the holders of the Deferred Shares at the Class Meeting.

### **Warrants**

In connection with the various transactions described in this Document, the Company proposes to issue new Warrants to the Directors and certain other persons. In addition, it is envisaged that, from Admission, there would be certain changes to the terms of certain existing warrants issued by the Company. Further details are given elsewhere in this Document, in particular in paragraph 18 of Section B of Part I and paragraph 8 of Part VI of this Document.

### **Admission of Enlarged Share Capital**

As a result of the Acquisition, the Company will cease to be an Investing Company on Admission. The Existing Ordinary Shares were suspended from trading on AIM on 30 December 2013 and have remained suspended pending completion of a Reverse Takeover. If, amongst other things, the Minimum Subscription is raised and the other

conditions set out in both the Acquisition Agreement and the Placing Agreement are met, then it is expected that the Enlarged Share Capital will be admitted to trading on AIM on 1 July 2014.

### **Proposed Re-registration under the IOM Act 2006 and Adoption of the Articles**

The Company is using the opportunity afforded by the General Meeting and the Class Meeting to propose resolutions to re-register the Company under the IOM Act 2006 and to adopt, as a consequence, a new memorandum and articles of association. The Company is currently incorporated under Manx legislation based on the Companies Act 1929 of the United Kingdom and the Board

believes that it will be beneficial for the Company to be able to take advantage of the updated Manx legislation and some of the easing of restrictions on and simplifications for Isle of Man companies which it offers. As a consequence, the Company would also adopt the Memorandum and the Articles at the same time. For administrative reasons in the Isle of Man, the re-registration and the formal change in the Company's memorandum and articles of association are expected, assuming the relevant Resolutions are passed, to take effect shortly following Admission. In addition, the holders of the Deferred Shares will need to approve the re-registration and the adoption of the Memorandum and the Articles at the Class Meeting in order for them to take place. Further details about this are set out in paragraph 6 of Part VI of this Admission Document.

### **Related Party Transactions**

The granting of the Warrants to the Directors (as described in paragraph 18 of Section B of this Part I and paragraph 8 of Part VI of this Document) and the entering into of the Marine Consultancy Agreement, including the granting of Warrants to Marine (as described in paragraphs 12 and 18 of Section B of this Part I and paragraphs 8 and 12.6 of Part VI of this Document) constitute related party transactions under the AIM Rules (Marine is a substantial shareholder in the Company, as defined in the AIM Rules for Companies).

The Board consider, having consulted with Allenby Capital Limited, the Company's nominated adviser, that the terms of the Marine Consultancy Agreement are fair and reasonable insofar as Shareholders are concerned.

As all Directors are receiving Warrants as part of the Proposed Transaction, there are no independent directors for the purposes of providing the statement required under Rule 13 of the AIM Rules. Allenby Capital Limited, the Company's nominated adviser, considers that the terms of the grant of the Warrants are fair and reasonable insofar as the shareholders of the Company are concerned. The granting of the Warrants, including those to the Directors, is being proposed as Resolution 6 at the General Meeting in order for Shareholders to approve this, and no Warrants will be granted to the Directors unless Shareholders approve Resolution 6.

### **Working Capital**

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the net proceeds of the Placing and the Subscription, and subject to achieving the Minimum Subscription, the Enlarged Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission. If the Company is unable to achieve the Minimum Subscription, Admission will not be applied for and the Acquisition will not be completed.

### **Further Information**

Your attention is drawn to Section B of this Part I and to Parts II to VI of this Document which contain further information on the Proposed Transaction and the Enlarged Group. In particular, your attention is drawn to Part II, which contains risk factors, and Part III, which contains the Competent Person's Report in respect of Pampamali Project.

### **Action to be taken**

A Form of Proxy is enclosed for use at the General Meeting and, for holders of Deferred Shares, at the Class Meeting. Whether or not you are able to attend the General Meeting or, if applicable, the Class Meeting, you are requested to complete the Form of Proxy and return it in accordance with the instructions provided thereon as soon as possible and, in any event, so as to be received by the Registrars no later than midday on 28 June 2014.

The fact that you have completed a Form of Proxy will not preclude you from attending and voting in person if you so wish.

### **Undertakings to vote**

The Company has received an irrevocable undertaking to vote in favour of the Resolutions from Peter Lalor, the sole director of Marine, who (together with Marine and his wife) holds, in aggregate, 110,631,944 Ordinary Shares, representing approximately 29.32 per cent. of the Existing Ordinary Shares. The Company has also received irrevocable undertakings to vote in favour of the Resolutions from the Directors who hold, in aggregate, 15,952,666 Ordinary Shares, representing approximately 4.23 per cent. of the Existing Ordinary Shares. Therefore, the Company has received undertakings to vote in favour of the Resolutions from Shareholders who hold in aggregate approximately 33.55 per cent. of the Existing Ordinary Shares.

In addition, the Company has received an irrevocable undertaking that, subject to Admission, Marine has agreed to convert the First, Second and Third Convertible Loan Notes into Ordinary Shares.

### **Recommendation**

The Directors consider that the acquisition of Gold Hunter by the Company is an exciting opportunity and are satisfied that the Proposed Transaction is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, and that holders of Deferred Shares vote in favour of the resolutions to be proposed at the Class Meeting, a summary of all of which can be found in paragraph 27 of Section B of Part I of this Admission Document.

Shareholders should note that certain of the Resolutions are inter-conditional upon one another and consequently if any of such Resolutions are not passed, the relevant part(s) of the Proposed Transaction will not proceed.

If either Shareholders do not approve the Resolutions or if the Minimum Subscription is not raised, Admission will not take place and the Company's existing admission to trading on AIM will be cancelled.

The purpose of this document, which comprises an admission document prepared under the AIM Rules for Companies, is to provide you with information on the Proposed Transaction. The Directors recommend that you vote in favour of all of the Resolutions at the General Meeting and, if you are a holder of Deferred Shares, in favour of all of the resolutions to be proposed at the Class Meeting. You should read the whole of this Admission Document and your attention is drawn in particular to the risk factors set out in Part II of this Admission Document.

Yours faithfully

Simon Hunt  
Chairman

### **Information on the Enlarged Group**

#### **1. Introduction**

Hunter Resources is proposing to acquire up to an 80 per cent. equity interest in the Pampamali Project mineral exploration concessions in the Julcani mineral region of the Huancavelica department of Peru. It will do so through the purchase of Gold Hunter, a Peruvian subsidiary of Global Pearl, which will continue to provide technical and operational services to Hunter Resources in Peru after the purchase. Gold Hunter, through the JV Agreement, has the right to acquire up to 80 per cent. of the Pampamali Project concessions in 3 annual stages to around 30 April 2017 at which point US\$1.84 million would have been paid to the Vendors and a Bankable Feasibility Study would have been completed. Under the terms of the JV Agreement Gold Hunter has the right to withdraw at any time without penalty prior to the end of the third phase.

## **2. Overview of the Project**

The Pampamali Project concessions comprise a base and precious metal epithermal exploration project in Peru with a history of both artisanal and organised underground mine development. The major veins defined so far trend predominantly north – south and are near vertical. There are also numerous narrow subsidiary or splay veins in the area of the major veins. The veins on the Pampamali Project property are traceable on surface over a long strike length and limited previous work suggests it is prospective for large tonnage mineral deposits containing medium to high gold grades with silver and base metals credits.

There are many artisanal and modern workings on the Victoria and Melita veins at the Pampamali Project including a couple of locations where multiple levels have been developed. The continuity of the structures that indicate the veins on surface is frequently extensive. Mineralised veins at the Pampamali Project not only have large strike extents at surface but also significant depth potential as evidenced by historical mining on levels below surface and the observation of the recessive structures the veins are in down the sides of valleys and ridges.

The mining at the Pampamali Project between 2002 and 2011 did not target gold mineralisation. The veins were selectively mined to be processed through a remotely located plant optimised for silver and base metal recovery, reportedly losing much of the gold to the tails. The data suggest that the fine grained gold is not locked up with silver or the base metal minerals and may be conducive to processing by gravity methods followed by a flotation circuit for the base metals. Further study of the metallurgical and petrographic characteristics of gold mineralisation has been recommended by Mining Plus to determine the true nature of the gold.

The larger workings and mineralised structures in the concession include the Santo Domingo, Victoria, Luz, Melita, Gaviota and Piscococha veins.

The project does not have a history of modern exploration tools being used other than a short period in the 1990s when Compan~ í a de Minas Buenaventura (“Buenaventura”) undertook detailed mapping and chip sampling. There are several targets already available for commencement of drilling, subject only to obtaining the necessary approvals. The Board believes a program of detailed mapping and sampling of exposed veins at the surface and underground, combined with structural geology and other studies would provide additional drill targets and assist with infilling and extending the currently known areas of high grade mineralisation. There is no record of diamond drilling on site which the Directors believe will determine the true width of the zones and provide detailed data at depth, as the existing headings have limited cross cuts and were generally focused on the high sulphide core of the system and not on the gold mineralisation.

Mineralisation is structurally controlled within multiple sub-vertical, outcropping quartz-carbonate veins whose true widths range from 20cm to over 3 metres. These are consistent, planar, penetrative structures containing potentially significant tonnages.

The Board intends to assess the broad alteration zones surrounding the mineralised cores of the veins for additional lower grade gold and silver mineralisation that could be extracted along with small open pit or bulk underground mining. The Directors may also consider exploration for other metals, including tungsten, during future work programs.

The Directors believe terrain/relief may also help in reducing mining costs by allowing several adits to be installed at 100m – 150m vertical intervals to access mineralised zones, which the Board considers could reduce capital costs required for underground development and services as well as operating costs.

While the Board considers the Pampamali Project to be at an early stage of exploration, the Directors also believe that the nature of mineralisation, the readily identifiable host structures and targets already developed makes it likely that the key decision points for the Pampamali Project could be achieved in a relatively short to medium time frame. There are risks to achieving these goals, mostly related to permitting related delays.

#### **4. Exploration & Production**

Certain work has previously been undertaken at the Pampamali Project.

Any historic workings were closed by order of the Peruvian Government and the Board believes that it was likely reclamation was completed by Buenaventura.

Buenaventura then completed a systematic study in the mid to late 1990s. Very limited information on this work was available to Mining Plus, but there are verbal reports about it.

The Vendors subsequently developed an adit on the Victoria Vein for small scale production focussing on ore with a high base metals content. Mine production with gold content was either not mined or was treated as waste. A total of 16,166 t of ore was produced in two stages, from June 2002 to May 2003, then from September 2010 to April 2011 showing combined head grades of 2.76 g/t gold, 297 g/t silver, 3.19 per cent. lead and 7.02 per cent. zinc. The treatment comprised flotation for separate lead and zinc concentrates with the gold that was not lost to the tailings reporting mostly to the lead concentrate. No gravity recovery methods were employed.

The ore was trucked approximately 550 km to a plant near Nazca and processed to produce Pb-Ag and Zn- Ag concentrates. Overall production costs including transport to Nazca and toll treatment charges were US\$260.34 /t. Recoveries to concentrate were as follows. The poor gold recoveries indicate that the gold is predominantly not associated with the base metal minerals and could therefore be amenable to gravity concentration methods. Recovery percentages were reported to be:

- \* Pb – 85 to 87 per cent.
- \* Zn – 78 to 87 per cent.
- \* Ag – 89 to 92 per cent.
- \* Au – 19 to 55 per cent..

According to Global Pearl, over 60 per cent. of the gold and 12 per cent. of the silver reported to the flotation tailings was lost. However, the gold recovery to the lead concentrate was skewed upwards by a single ore parcel. For the other ore particles typically over 80 per cent. of the gold went to tails.

Early drill targets have been defined by high gold grades in veins sampled above artisanal and recent workings and the Board expects drilling to commence within six months of Admission to test for high gold grades in particular from outcrops thirty to 200 metres above underground workings. The cross section shown here is for the Gaviota Vein but similar targets exist at other veins.

Subject to Admission, the Company proposes the following stage 1 exploration activities:

- \* compile a database from previous work, extend mapping and sampling;
- \* re-establish access to underground artisanal workings;
- \* commence drill follow up of high grade assay results coincident with surface and underground mapping and sampling;

- \* define an initial JORC compliant resource in short term to facilitate Scoping Study and follow up with extensional drilling;
- \* grow resource base; and
- \* undertake geophysical analysis as required.

In the view of the Directors and the Proposed Director, the Pampamali Project offers low barriers to entry and the mining and processing scenarios should be relatively low cost and should utilise low capex. The Board believes, based on similar deposits in the district, that the metallurgy at the Pampamali Project is likely to be good, allowing processing by gravity and/or flotation methods.

In addition, the Board intends to review other projects in Peru while maintaining focus on the Pampamali Project, targeting stage 1 production in near term.

## 5. Geology

### *Regional Geology*

The Andes are a Mesozoic-Tertiary orogenic belt of mountains with the Andes uplift resulting from plate tectonic processes caused by the subduction of oceanic crust beneath the South American plate.

The main cause of the rise of the Andes is the compression of the western rim of the South American Plate due to the subduction of the Nazca Plate. This uplift has meant several generations of intrusive activity throughout the Andes and has resulted in a rich metal mineral belt.

### *Local Geology*

- \* Quaternary Glacial Moraines – Glacial moraines cover a significant portion of the valley bottoms to the west of the properties. The moraines thickness can be up to 100 metres.
- \* Marsh and Glaciofluvial deposits- common in valley bottoms. Glaciofluvial deposits often obscured by marsh.
- \* Pucara Group- Grey-blue limestones in moderately thick beds with chert nodules adjacent to the plutonic granodiorite.
- \* Chahuarma Formation – This formation consists of several units of extrusive volcanics ranging from basaltic andesites to lapilli tuffs and ash tuffs. These Miocene rocks units form caprocks on many of the ridges in the area.
- \* Mitu Group – Paleogene ash tuffs, conglomerates and lavas.
- \* Granodiorite – A Cretaceous age granodiorite which comprises the primary lithology on the properties and extends to the east and north. This unit is massive and fractures with regularity. The upper Cretaceous age of the granodiorite emplacement represents the beginning of the compression that has resulted in the Andean uplift.

The Pampamali Project is located within the Julcani mining district and the region has supported numerous silver-base metal mines on various scales since the 1930s. The Julcani mine is located about 25 kilometres from the Pampamali Project. The Julcani silver deposit contains low sulphidation silver plus base metal veins hosted in a younger (Miocene) dacite-rhyodacite volcanic complex. Mineralisation in the Julcani district has been well documented and notably these and other mineral occurrences in the district appear to be Ag dominant and Au poor whereas the Pampamali Project is relatively Au rich and Ag poor. There is a gold-tungsten containing vein system, known as the Tentadora system, at Julcani that the Board intends to review for applicability to the veins at the Pampamali Project, specifically the quartzcarbonate vein selvage. Julcani veins have significant lead and zinc values and weak copper levels.

The mineralisation at Julcani is related to a 10 Ma old volcanic calc-alkaline magmatic system. The Chahuarma Formation at the Pampamali Project has a similar age, possibly a bit younger, and a description similar to the mineralising magmatic system at Julcani.

The mineralisation is also similar to several other deposits including the Arcata gold and silver deposit, which has been mined since 1964, and the Board believes that that deposit has remaining reserves of approximately 55 million ounces of gold and 340,000 ounces of silver.

### *Property Geology*



The dominant lithology in the project area is a plutonic granodiorite of Cretaceous age. Instituto Geologico Minero Metalurgico has mapped a unit of conglomerates and lavas where the Melita and Victoria veins are, but field observations indicate otherwise.

The veins in the Pampamali Project area are sub-vertical and very homogeneous with the vein systems strongly controlled by structures. They range from 0.2 to over 3 metres wide with varying components of base metal sulphides and accompanying gold and silver. There are structures that comprise veins with strong alteration zones including breccias that are up to ten metres wide. These veins appear to be very continuous both vertically and horizontally and offset by faults in places. The largest structures have a general north – south or north-north-west – south-south-east strike, although several different orientations have been observed. These structures were likely geologically active for a substantial period of time and provided deep rooted feeder zones for the mineralised zones.

There is also an east – west structural component that suggests possible mineralisation enhancement or focus where these structures cross the north – south structures.

The presence of the host granodiorites and proximity of the later volcanic flows and ash tuffs indicate at least two and possibly three generations of potential hydrothermal activity occurred in this area. This may explain the presence of two apparently different generations of mineralization in the same structural fault zones at the Pampamali Project. It might also suggest a mechanism for metallogenic zonation that resulted in a gold rich component compared to the surrounding district.

The surface exposure of mineralised veins is limited on the property due to the recessive weathering and resultant obscuring by overburden or weathered material. The Directors believe that trenching or drilling below these will be required to get below the overburden as well as taking advantage of access by underground workings still open.

## **6. Mineralisation**

There are no known JORC Code, CIM or similar standard mineral resource estimates prepared for the Pampamali Project of which the Company is aware.

Buenaventura, when it had the project in the 1990s, prepared an estimate of contained gold mineralisation over short strike lengths on three of the veins. These estimates were developed on the high sulphide core of the system and generally ignored the potential surrounding gold zone. They are based on surface and underground chip samples collected and analysed by Buenaventura. The mineral estimates are projected between surface and underground development. The locations they are calculated on have not been reported as mined to date. Buenaventura returned the project to the Vendors after developing exploration adits but without mining the mineralisation.

In 1998, Buenaventura prepared an estimate, which did not comply with the JORC Code, CIM or any similar standard, of gold mineralisation totalling 250,000 t at 5.22 g/t gold, 124 g/t silver, 0.11 per cent. copper, 0.79 per cent. lead and 1.59 per cent. zinc defined over a short strike length. The block grades varied from 0.49 to 9.07 g/t gold, 1.54 to 7.52 oz/t silver plus copper, lead and zinc. Average grades for gold of 3 to 5 g/t, silver of 2 to 5 oz/t (60 to 150 g/t Ag) along with 1 to 3 per cent. lead and 1 to 4 per cent. zinc are well in the tenor of grades in the resource.

This is an historic resource and neither CIM nor JORC Code compliant. It has been included for reference purposes only, to indicate the order of grades of mineralisation identified at Pampamali. This tenor of grade is seen in the historic data and is based on short vein lengths near the underground workings. There are long vein surface expressions defined on the Buenaventura sections with no resource applied, due to a lack of underground workings nearby. These long undefined vein lengths are the areas where the Board believes diamond drilling should be targeted to increase both horizontally and vertically the mineral resource of this property. The Board believes the vein continuity, without a defined resource previously by Buenaventura and observed in the site visit by Mining Plus, is a large opportunity on this property and the Directors believe there is high potential to add significant resource tonnage at the Pampamali Project.

## **7. Location and infrastructure**

The Pampamali Project concessions are located in the department of Huancavelica in Peru, South America. They consist of eight concessions totalling approximately 3,500 hectares. The longitude and latitude of 74.57 west and 13.08 south is within the concessions. This is a mining region and many small programs of exploration/development have been undertaken in the past. The region is known for base metal – silver mining and historically the Pampamali Project has been mined for the same mineralisation due to buyer demand and processing constraints despite notwithstanding that the Pampamali Project is a gold prospect with a base metal – silver component. Mineralisation in the surrounding district has been well documented, with mechanised mining occurring at the nearby Julcani mine since the 1930s.

There is good infrastructure nearby the Pampamali Project including roads, water and electricity. Support facilities, supplies and skilled labour are available in Lircay, about 35 kilometres by road away. The Pampamali Project is located at approximately 4,300 metres above sea level. At such an altitude, the Board does not believe that any special equipment will be required and believes that access is still good. The Board understands that none of the other mines in the district have had any issues with the altitude and largely use conventional industry equipment.

The villages of Quispichancha and Ccohotay are located immediately next to the Pampamali Project and can supply unskilled labour for the project. Many supplies are available in nearby Lircay for operating an exploration project including hardware, petroleum, food, building supplies, accommodation and skilled labour. Lircay provides labour for the Julcani mine owned by Buenaventura, 12 km from the town.

A partially decommissioned camp accommodation exists on site for about 30 persons and can be upgraded to accommodate staff if chosen. Some of the infrastructure such as generators, water supply, cooking facilities and such will need to be reinstated. There are also smaller exploration camp facilities in Quispichancha, which are connected to the local water and electrical system but will require cleaning and upgrading.

## **8. Mineral and Mining Legislation in Peru**

### **8.1 General**

#### *Mineral ownership*

According to the Peruvian Constitution, all minerals within the territory of the Republic of Peru, while in the crust of the earth, belong to the Peruvian State. The State grants ownership rights over minerals to individuals or companies by means of a “concession” system. With the exception of mineral prospection and commerce activities, which do not require a concession, anyone wishing to conduct mineral activities in Peru will first need to obtain the appropriate concession from the State. A concession is a legal property right in nature, different and separated from the surface land.

Concessions are granted in perpetuity and do not expire except on default by the holder of the concession in complying with its maintenance obligations under the terms of the concession, namely, payment of the good standing fee and obligations related to mandatory mineral production.

#### *Mining categories*

Peruvian law categorises mining activities into large and medium-scale mining, as well as small-scale and artisanal mining. Standard regulations (*re’gimen general*) apply to large and medium-scale mining, while small and artisanal mining are subject to a special legal treatment.

Qualification as a small and artisanal miner is based on production capacity and extension of mining properties, and need to be officially certified and registered. This is not anticipated to be relevant to the activities expected to be undertaken by Gold Hunter.

#### *Activities not requiring a concession*

Mineral prospection and commercialisation do not require a concession.

#### *Mineral prospection*

Mineral prospection comprises two type of activities: reconnaissance (cateo) and prospection (prospección).

— Cateo is referred to elementary surveying aimed to determine signs of mineralization by the means of elementary mineral works.

— Prospección is defined as an investigation aimed to determine areas of possible mineralization by the means of chemical and physical indicators measured with precision techniques and instruments.

These activities are not allowed within areas restricted by law, a third party's concession, or fenced cultivated land, except under permission of the owner. Cateo and prospección are prohibited in urban areas and areas for urban expansion, areas reserved for national defense, within archeological zones, and on areas occupied by infrastructure of public use, except under prior authorization of the pertinent public agency.

#### *Commercial trade of minerals*

Local and international commercialisation of minerals is free in Peru, and exportation is tax exempted. A third party acquirer of minerals produced in Peru is required by law to verify the legal origin of the mineral products bought. Illegal mining is a major problem in Peru and the Government is implementing measures to control commercialisation of minerals illegally extracted or processed. Currently, one of the main concerns is illegal trading in gold. In this respect, special regulations requiring traders to comply with certain legal formalities have been recently approved and further measures of control have been announced.

## **8.2 Concessions**

#### *Types of concessions*

The Peruvian concessions system comprises four types of concession: mining concessions, beneficiation concessions, labour concessions and transportation concessions. Mining and beneficiation concessions are the main kind of concessions as they are directly related to mineral production.

A labour concession is equivalent to an administrative permit to provide services for mining concessions, while a transportation concession is related to the operation of non-conventional means of minerals transportation such as pipelines, conveyers, cableways, and the like.

#### *Mining concessions*

A mining concession entitles the owner (Titular) to explore, develop and exploit (extract) minerals within an area determined by UTM coordinates. They are granted for metallic or non-metallic substances. Once extracted, the minerals are property of the concession owner.

For mining purposes, the territory of the Republic of Peru is divided into grids each of 100 hectares. Mining concessions can be granted in size from 100 hectares (1 grid) up to 1000 hectares (10 grids). As an exception to the rule, concessions on the ocean can be as large as 10,000 hectares.

The application for a mining concession is called Petitorio Minero, which is submitted to the Peruvian State. A Petitorio does not confer any mining rights in favor of the applicant. However, it can be transferred to a third party at any time.

Once the mining concession is granted, before initiating mineral activities the holder of the concession needs to (i) obtain an Environmental Certification for the project, (ii) own or have a right of use for mining purposes of the surface

land, and (iii) obtain an authorisation for the initiation of activities from the mining agency (Autorización de Inicio de Actividades).

#### *Good Standing Fee*

The owner of a mining concession is obliged to pay a Good Standing Fee (GSF) from the year the Petitorio is filed. The GSF must be paid annually between January 2nd and June 30th.

#### *Mandatory production*

After expiry of a ten-year period commencing on the date of issuance of the concession title, Peruvian mining law mandates that the owner needs to demonstrate he has achieved at least the mandatory minimum level of production of minerals (MMP) from the relevant concession.

If the owner has not achieved the MMP by the first semester of the eleventh year of the concession, he will have to pay a penalty (Penalidad) equivalent to 10 per cent. of the MMP.

If the MMP is not achieved by the fifteenth year of the concession, the concession will be declared cancelled, except where the default has been caused by an Act of God, force majeure or another cause not attributable to the holder of the concession. Should such situation persist for five years, the concession will then be declared cancelled.

As an exception, the law provides that from the fifteenth year, and for a term of five years, the holder of the concession can pay the penalty and demonstrate investments equivalent to no less than ten times the penalty. In this case, the concession will only be declared cancelled if the MMP is not achieved by the twentieth year.

Default in paying the penalty for two years results in the cancellation of the mining concession.

#### *Special regime for concessions granted before October 10th, 2008*

As a temporary exception (valid until January 2019), law provides that concessions granted before October 10th, 2008 will continue to be regulated by previous rules on MMP. The owner must obtain the MMP no later than the sixth year counting from the date the concession was granted, otherwise, he will have to pay a penalty of US\$ 6 per hectare per year until the year MMP is obtained. The penalty increases from the twelfth year. For large/medium scale mining, it will be US\$ 20 per hectare per year.

The owner can be exempted from paying the penalty if he demonstrates investments in the concession during the previous year equivalent to no less than 10 times the applicable penalty.

Default to pay the penalty for two years produces the extinction of the mining concession.

#### *Beneficiation concessions*

A beneficiation concession entitles the owner to extract or produce concentrate from minerals extracted and/or to smelt, purify or refine metals, by means of physical, chemical and/or physical-chemical processes. Beneficiation includes mechanical preparation, metallurgy and refining.

#### *Good Standing Fee*

The owner of a beneficiation concession is obliged to pay a good standing fee (GSF) from the year it submits the concession application. The GSF must be paid annually between January 2nd and June 30th.

Default in paying the GSF for two years results in the cancellation of beneficiation concession.

### **8.3 Surface Land**

A concession title does not confer on the owner any right over the surface land. The concession owner needs to acquire a separate right to use the land from its owner by any legal means (right of use, lease, easement) or buying it

from him. Peruvian law regulates administrative easements, consisting of easement rights granted on the surface land by the State at the request of the concession owner. However, due to social considerations, the Government is reluctant to grant this kind of right.

## **8.4 Environmental and Social Aspects**

### *Environmental certification*

Mineral exploration, exploitation and beneficiation activities require an Environmental Certification prior to initiation. The certification is obtained with the approval by the Government of an environmental management instrument: an Environmental Impact Declaration (DIA), a semi-detailed Environmental Impact Study (EIASd) or a detailed Environmental Impact Study (EIAAd). For this purpose, mineral projects are classified into three categories depending on the magnitude of the impact that the project is expected to have on the environment.

Certain changes in on-going operations, especially those affecting new areas, require an EIA (i.e. increasing extraction volume, expansion of a beneficiation plant, tailing ponds, lixiviation pads, rock piles).

Typically, EIAs contain information on pollution control (liquid effluents, gaseous emissions, hazardous substances, disposal of solid wastes, and the like), flora and fauna protection, and planned environmental rehabilitation actions. Social aspects must also be considered in the EIA. In this regard, the EIA must contain a chapter on the potential impact of the project on the hosting community and the proposed activities to avoid or minimise such impact. Cultural aspects are also part of the EIA, and are especially important regarding the preservation of archeological sites.

The process of approval of a DIA, EIASd, EIAAd and mine closure plan (see next section) are public, and comprise different kinds of public participation. Depending on the category of the project, the process may include mandatory publications, public hearings and/or workshops, amongst other things. The Company understands that initially an application for a DIA will be submitted for the Pampamali Project.

### *Mine closure plan*

Miners are required to have a closure plan prior to mine development for mineral exploitation and beneficiation. A financial guaranty is required to secure the implementation of the closure plan (reclamation costs and closure). A closure plan is also required for certain kind of exploration projects.

### *Water use rights and effluent discharge permit*

To use water from natural sources the miner is required to obtain a water use permit from the local water authority. Industrial and/or domestic effluents may be discharged into a natural course or body of water only after treatment. For this purpose, the miner needs to have an effluent treatment permit from the water authority.

### *Social sustainability*

Unfortunately, socio-environmental conflicts associated to mining activities are increasingly common in Peru. Therefore, current mining regulations contain provisions designed to avoid conflict and promote the best possible relationships between mining companies, local communities and relevant stakeholders, following the principles of sustainability and Corporate Social Responsibility.

## **8.5 Taxation**

### **8.5.1 General Taxation**

The main taxes applicable to business matters in general are Income Tax, Value Added Tax, Dividend Tax and Net Assets Tax.

### **8.5.2 Taxation on mining activities in particular**

### *Mining Royalty (Regalía Minera)*

Miners must pay the Peruvian State for the exploitation of mineral resources. This tax is assessed on quarterly operating profits at a rate ranging from 1 per cent. to 12 per cent. according to a sliding scale established by law. The Mining Royalty paid is deductible from Income Tax.

### *Excise Special Tax (Impuesto Especial a la Minería)*

This tax is assessed on quarterly operating profits from the sales of mineral (only metals). The tax rate ranges from 2 per cent. up to 8.40 per cent. according to a sliding scale established by law. The tax paid is deductible from Income Tax.

### *Tax benefits*

In order to promote investment in mining, the Peruvian Government offers certain tax benefits to investors including tax stability agreements, recovery of the IGV tax during exploration, exemption of municipal taxes in rural areas, amortization of concession acquisition costs and exploration expenses from the year minimum production is due, among others.

## **9. Current trading and strategy**

The Company is currently an Investing Company and has no trading operations. The Company's strategy is to develop the Pampamali Project as outlined elsewhere in this Document.

## **10. Corporate structure**

Gold Hunter will become a 100 per cent. owned subsidiary of Hunter on Admission. The Pampamali Project is owned by the Vendors.

If, pursuant to the JV Agreement, Gold Hunter acquires a 20 per cent. interest in the Pampamali Project, Gold Hunter, H&P and CMP will incorporate a new joint venture company to hold the licence interests in the Pampamali Project and will hold their interests in that company as contemplated by the JV Agreement.

## **11. Use of Placing and Subscription proceeds and reasons for the Placing, Subscription and Admission**

The Directors intend to raise up to the Maximum Subscription by means of the Placing and the Subscription and, if they do so and assuming no change to the amount drawn down under the Third Convertible Loan Note, then, taken together with the loan notes being converted through the Conversion, the Company will have raised approximately £1,250,000 (being approximately £1,050,000 net of expenses).

Sums drawn down under the Second and Third Convertible Loan Notes will contribute towards the costs of the Proposed Transaction.

The Directors believe that the benefits of Admission are that it will enable the Company to broaden its investor base and assist it in raising additional working capital, now and in the future.

## **12. Directors, Proposed Director, employees and consultants**

### **Directors**

The Board currently comprises three Directors, whose biographies are set out below.

#### *Simon Dennis Hunt (aged 63) Executive Chairman*

Simon Hunt has over 25 years' experience in private equity and corporate finance. Following an MA from Oxford University, he trained as a corporate lawyer with Macfarlanes and Gouldens, before moving into private equity with Gartmore Investment Management Limited, focusing mainly on investments in the US. He later added public company

operational and investment banking experience including M&A. Simon has worked with companies at all stages of their development both in the UK and the US. He has held numerous public company board positions including CEO of Stordata Solutions plc; Executive Chairman of IPSO Ventures plc; and Non Executive Director of AFC Energy plc. Simon is currently also Executive Chairman of Paragon Resources plc.

*David Anthony Paull (aged 51) Non-Executive Director*

David Paull has over 20 years' experience in resource business development and industrial minerals marketing. For the past four years David has been Managing Director of Aspire Mining Limited, and ASX-listed company, after being involved in the recapitalisation of the company and redirection to target Mongolian coking coal assets. Prior to Aspire, David had been working on private equity and seed capital opportunities in the resources sector.

David Paull holds a Bachelor of Commerce from the University of Western Australia, is a fellow of the Financial Services Institute of Australia and has an MBA with distinction from Cornell University New York.

*John Frederick Molyneux (aged 67) Non-Executive Director*

John Molyneux is a director of WH Ireland. He started his career in the City of London in 1967 by joining the London Stock Exchange. Various career moves over the next thirty years involved both merchant banking and stock broking (Montague Loeb Stanley, English Trust, Greig Middleton, Seymour Pierce Middleton, Henry Cooke Lumsden), culminating in joining AIM quoted W H Ireland in 1998.

John Molyneux is a Chartered Fellow of the Securities Institute.

**Proposed Director**

It is proposed that Andrew Richards should join the Board with effect from Admission.

*Andrew Lehane Richards (aged 60) Proposed Non-Executive Director*

Andrew Richards is a geologist with over 32 years' experience in the mining industry, including 7 years in a senior role in banking and project finance. He has worked in a wide variety of areas and commodities, in both production and exploration geology, having been Chief Geologist at New Celebration and Telfer Gold Mines. His work has covered management of project acquisitions, exploration programs as well as IPOs. He is involved with managing companies operating in Australia, China, South East Asia, South America (Peru and Chile) and Africa (Nigeria, Angola, Madagascar). Andrew has served as Managing Director of Dragon Mountain Gold and oversaw its listing on the ASX in 2007 as well as CEO of Red Mountain Mining. He has been a Director of several ASX-listed companies and is currently a Non-Executive Director of InterMet Resources Ltd and Southern Hemisphere Mining Ltd, as well as a director of Tana Minerals Pty Ltd (Australia) and its operating subsidiaries in Madagascar and Mauritius.

In addition, following Admission the Company intends to recruit a suitably-qualified individual to act as financial controller for the Enlarged Group.

**Employees and consultants**

Subject to Admission, Global Pearl will, through the Consultancy Agreement, provide technical and operational services to Hunter Resources in Peru. As at the date of this Admission Document, these services will be provided primarily by the members of the Management Team:

*David Fowler*

David Fowler commenced his career as a Chartered Accountant and has worked in executive positions in the mining industry for the past 20 years in South America, Asia and Australia. He is currently CFO of Sumatra Copper and Gold Plc and was previously CEO of Orosur Mining Inc. He has a Bachelor of Business, qualified as a Chartered Accountant and has a post graduate Diploma in Finance and Investment.

*Sam Pierce*

Sam Pierce has over 10 years of experience in mineral exploration. He graduated from New Mexico Institute of Mining and Technology with a degree in Geology and focus in Economic Exploration. He has spent the last five years in senior exploration positions, supervising exploration groups and teaching advanced geochemical and spectral techniques to expatriates and local geologists. His time has been spent on a variety of mineral deposits including volcanic hosted massive sulfide, skarn, epithermal, and porphyries. He has worked in New Mexico, Alaska, Panama, Mauritania, Colombia, and Peru.

#### *Tim Adams*

Tim Adams is an experienced mining engineer and senior manager with over 30 years in the international mining industry. He has experience in iron ore, gold and base metals. During the first part of his career Tim was employed by companies such as BHP, WMC, North Ltd and Portman Ltd. For most of the last 14 years Tim has worked as consultant undertaking project management, managing feasibility studies and other technical studies. He has a MBA, B. Eng (Mining) and a B.Sc. Separate to Global Pearl, Hunter Resources will also receive consulting services from Mr Peter Lalor:

#### *Peter Lalor*

Peter Lalor is the sole director and shareholder of Marine – major investor in the Company.

Peter Lalor was the founder and CEO of Sons of Gwalia Limited, which was one of Australia's largest gold producers and global ranking in tantalite and lithium production. Peter has served as the Director of Gold Corporation, Director and President of the Chamber of Minerals and Energy of Western Australia, Director of the World Gold Council, Deputy Chair of the Australian Gold Council and Director of the Minerals Council of Australia. Peter was also a member of the West Australian Governments State Economic Strategy Council. He is a law graduate of the University of Western Australia. Mr Lalor was a director of Sons of Gwalia Limited ("SOGL") from its founding in 1981 until he retired in April 2004. Administrators were appointed to SOGL on 30 August 2004, and Mr Lalor contributed to a settlement with the creditors of SOGL in 2009.

For further details of the terms of Marine's consultancy arrangement, please refer to paragraph 12.6 of Part VI of this Document.

### **13. Lock-in and orderly market arrangements**

At Admission and excluding Warrants, the Directors and the Proposed Director are expected to hold, or be interested in, directly and indirectly, an aggregate of 1,595,266 New Ordinary Shares, representing approximately 1.11 per cent. of the Enlarged Share Capital of the Company, assuming the Company raises the Maximum Subscription, that there is no change in the amount drawn down under the Third Convertible Loan Note before Admission and that the Directors and the Proposed Director do not participate in the Placing or the Subscription. The Directors and the Proposed Director will also hold the Director Warrants from Admission. In addition, at Admission, and assuming no participation by Marine in the Placing or the Subscription, Marine (together with Mr and Mrs Lalor) is expected to hold, or be interested in, directly and indirectly, an aggregate of 28,892,261 New Ordinary Shares, representing approximately 20.16 per cent of the Enlarged Share Capital. At Admission Marine will hold Warrants over a further 18,080,587 New Ordinary Shares, assuming the Company raises the Maximum Subscription, no change in the amount drawn down under the Third Convertible Loan Note and that Marine does not participate in the Placing or the Subscription.

The Directors, the Proposed Director, Marine and Mr Lalor (on behalf of himself and his wife) have each undertaken not to dispose of any interest in the New Ordinary Shares (including under Warrants) which they may have on Admission for the period of one year following Admission except in certain restricted circumstances. In addition, they have each further agreed that for an additional 12 month period following the first anniversary of Admission they shall only dispose of any interest in such Ordinary Shares through or with the prior written consent of Allenby Capital. Subject to the same assumptions stated in the immediately preceding paragraph, these restrictions will apply in respect of an aggregate of 30,487,527 Ordinary



Shares, representing 21.28 per cent. of the Enlarged Share Capital, as well as any further Ordinary Shares derived from such shares or the in aggregate 29,080,587 Warrants held by such persons.

Further details of these lock-in and orderly market arrangements are set out in paragraph 12.4 of Part VI of this Admission Document.

In addition, at completion of the Acquisition Agreement Global Pearl will enter into a lock-in arrangement in relation to the Consideration Shares. Please refer to paragraph 12.2 of Part VI of this Document.

#### **14. Share Dealing Code**

The Board has adopted a code of dealings in Ordinary Shares by Directors and Applicable Employees which conforms to the requirements of the AIM Rules. The Company will be responsible for taking all proper and reasonable steps to ensure compliance by the Directors and Applicable Employees with the Share Dealing Code.

#### **15. Details of the Placing, the Subscription, Convertible Loan Notes and Marine Shares**

##### *The Placing and the Subscription*

The Company proposes to raise up to the Maximum Subscription and not less than the Minimum Subscription, through the Placing and the Subscription.

Allenby Capital has conditionally agreed, pursuant to the Placing Agreement and as agent for the Company, to use its reasonable endeavours to procure Placees for the New Ordinary Shares at the Placing Price. Any Placing Shares are expected to be placed with institutional and other investors. The Placing has not been underwritten and is conditional, inter alia, on Admission occurring by 8.00 a.m. on 1 July 2014 and in any event no later than 8.00 a.m. on 31 July 2014 and on the Placing Agreement not being terminated. Further details of the Placing Agreement are set out in paragraph 12.2 of Part VI of this Document. The Placing Agreement contains certain warranties from the Company and the Directors and indemnities from the Company in favour of Allenby Capital in relation, inter alia, to the accuracy of the information contained in this Admission Document and certain matters relating to the Company. Allenby Capital has certain rights to terminate the Placing Agreement prior to Admission, including for a material breach of warranty or the occurrence of certain force majeure events.

In the case of Placees requesting Placing Shares in Uncertificated Form, it is expected that the appropriate CREST accounts of Placees will be credited with Ordinary Shares on or around 1 July 2014. In the case of Placees requesting Placing Shares in certificated form, it is expected that certificates in respect of the Placing Shares will be despatched by post within seven days of the date of Admission.

The Subscription, which is being undertaken by the Company, comprises the issue of Subscription Shares by the Company at the Subscription Price and is conditional, inter alia, upon Admission. The Subscription Shares are, or will be, in registered form and, on Admission, will rank *pari passu* with the other Ordinary Shares in all respects including, without limitation, in relation to any dividends and other distributions declared, paid or made following Admission. Application will be made for the admission of the Enlarged Share Capital to trading on AIM. It is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence on 1 July 2014.

Assuming the Company raises an amount equal to the Maximum Subscription through the Placing and the Subscription, and assuming no change in the amount drawn down under the Third Convertible Loan Note, the New Ordinary Shares subscribed pursuant to the Placing and the Subscription would represent 51.27 per cent. of the Enlarged Share Capital, and the Proposed Transaction would result in a 280 per cent. dilution of the aggregate existing Shareholders' shareholding at the date of this Admission Document.

No person in Australia issued Placing Shares or Subscription Shares may sell, or offer to sell, such securities in circumstances that amount to a sale offer in Australia within 12 months following the date of issue of such securities

unless such sale, or offer to sell, is permitted to be made without disclosure in accordance with the Corporations Act. Investors in Australia are advised to acquaint themselves with the provisions relating to on-sale restrictions in Australia and comply accordingly.

#### *First Convertible Loan Note*

On 8 January 2013, the Company issued the First Convertible Loan Note with a face value of £25,868 to Marine for cash. This loan note has been fully drawn down by the Company. The First Convertible Loan Note is convertible into Ordinary Shares at one penny per New Ordinary Share. Marine has given an irrevocable undertaking, subject only to Admission, to convert the First Convertible Loan Note into Ordinary Shares at Admission and accordingly conditional upon Admission (and post the Consolidation) occurring the First Convertible Loan Note will convert into 2,586,800 New Ordinary Shares.

#### *Second Convertible Loan Note*

On 3 March 2014, the Company issued the Second Convertible Loan Note with a face value of £100,000 to Marine for cash. This loan note has been fully drawn down by the Company. The Second Convertible Loan Note is convertible into Ordinary Shares at the price at which any new funds are raised upon Admission. If no such funds are raised the loan note is convertible at one penny per New Ordinary Share. Marine has given an irrevocable undertaking, subject only to Admission, to convert the Second Convertible Loan Note into Ordinary Shares at Admission and accordingly conditional upon Admission (and post the Consolidation) occurring, the loan note would convert into 6,666,667 New Ordinary Shares at a price equal to the Subscription Price.

Marine will receive Warrants in return for agreeing to a variation to this loan note. Please refer to paragraph 18 of this Section B of this of Part of this Document.

#### *Third Convertible Loan Note*

On 3 March 2014, the Company issued the Third Convertible Loan Note with a face value of \$150,000 to Marine for cash. As at the date of this Document, the Company has drawn down \$80,000 (£47,761, assuming the exchange rate used in this Admission Document) under this loan note.

The Third Convertible Loan Note is convertible into Ordinary Shares at the price at which any new funds are raised upon Admission. If no such funds are raised the loan note is convertible at one penny per New Ordinary Share. Marine has given an irrevocable undertaking, subject only to Admission, to convert the Third Convertible Loan Note into Ordinary Shares at Admission and accordingly conditional upon Admission (and post the Consolidation) occurring, and assuming no further drawdown under the Third Convertible Loan Note, the Third Convertible Loan Note will convert into 3,184,067 New Ordinary Shares at a price equal to the Subscription Price.

Marine will receive Warrants in return for agreeing to a variation to this loan note. Please refer to paragraph 18 of this Section B of this Document.

#### *Marine Mandate Agreement*

On 4 December 2012, the Company entered into an agreement with Marine under which the Company agreed (i) to pay a fee of £50,000 to Marine, and (ii) to issue 20,000,000 Existing Ordinary Shares to Marine, if Marine introduced a project or transaction to the Company which resulted in:

- a) the acquisition by the Company of an asset considered by the Board to be valued at £500,000 or more; or
- b) a reverse takeover by the Company (as defined in Rule 14 of the AIM Rules).

Given the terms of the Acquisition, the Company's obligations under this agreement with Marine will be triggered at Admission and accordingly at Admission the Company will issue an aggregate of 5,333,333 New Ordinary Shares to Marine at the Subscription Price in settlement of such obligations, being 2,000,000 New Ordinary Shares plus a further

3,333,333 New Ordinary Shares on account of Marine having agreed to receive the £50,000 payment referred to above in the form of New Ordinary Shares rather than in cash.

## **16. Admission**

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. Admission of the Enlarged Share Capital is expected to take place on 1 July 2014.

If either Shareholders do not approve the Resolutions or if the Minimum Subscription is not raised, Admission will not take place and the Company's existing admission to trading on AIM will be cancelled.

## **17. CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the Company to issue shares in Uncertificated form in accordance with the CREST Regulations. The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

## **18. Warrants**

### *Marine Underwriting Agreement*

On 4 December 2012, the Company entered into an underwriting agreement with Marine whereby Marine agreed to subscribe for Existing Ordinary Shares at 0.1 pence per share to the extent that the proceeds (before expenses) raised in the January 2013 subscription round undertaken by the Company (the "January 2013 Subscription") were less than £250,000. In consideration for such underwriting, the Company agreed to pay Marine a fee of five per cent of the gross proceeds of the January 2013 Subscription and to grant warrants to Marine on the basis of one warrant for every five Existing Ordinary Shares issued pursuant to the January 2013 Subscription.

In the event, the Company raised £310,000 (including the First Convertible Loan Note) in the January 2013 Subscription and paid to Marine a fee of £15,500 and on 25 February 2013 issued to Marine warrants to subscribe 62 million Existing Ordinary Shares. Each such warrant conferred the right (but not the obligation) to subscribe for one Existing Ordinary Share prior to 8 January 2018 at a price of 0.5 pence per share.

Pursuant to a conditional agreement dated 6 June 2014, the Company has conditionally agreed with Marine that with effect from Admission the 62 million warrants referred to above will be cancelled and replaced with Warrants over 6.2 million New Ordinary Shares exercisable at a price equal to the Subscription Price plus 15 per cent. at any time within three years of the date of Admission.

### *Allenby Warrants*

On 25 February 2013 the Company issued warrants to subscribe three million Existing Ordinary Shares to Allenby Capital in connection with the agreement under which Allenby Capital was engaged as the Company's nominated adviser and broker, and in consideration of Allenby Capital agreeing to reduce its annual nominated adviser fee from £35,000 to £20,000. Each such warrant conferred the right (but not the obligation) to subscribe for one Existing Ordinary Share prior to 8 January 2018 at a price of 0.5 pence per share. Pursuant to a conditional agreement dated 6 June 2014, the Company has conditionally agreed with Allenby Capital that with effect from Admission the three million warrants referred to above will be cancelled and replaced with Warrants over 300,000 New Ordinary Shares exercisable at a price equal to the Subscription Price plus 15 per cent. at any time within three years of the date of Admission.

Allenby will also receive Warrants under the terms of the Placing Agreement. Further details of this can be found in paragraph 12.3 of Part VI of this Document.

#### *Director Warrants*

On 25 February 2013 the Company issued warrants to subscribe (in aggregate) 36 million Existing Ordinary Shares to the Directors, as follows:

- a) Simon Hunt (through Cornerstone Capital Limited) – 20,000,000 warrants;
- b) David Paull – 8,000,000 warrants; and
- c) John Molyneux – 8,000,000 warrants.

Each such warrant conferred the right (but not the obligation) to subscribe for one Existing Ordinary Share prior to 28 February 2018 at a price of 0.45 pence per share. Half of the above warrants can only be exercised if, in addition, (i) the Company has first completed either a reverse takeover (as defined in Rule 14 of the AIM Rules) or acquired an asset valued in excess of £500,000 (at the date of the acquisition), and (ii) the 30-day average VWAP of the Ordinary Shares (as calculated in accordance with the warrant instrument) is equal to or in excess of 0.625 pence per share at the time of exercise.

Pursuant to a conditional agreement dated 6 June 2014, the Company has conditionally agreed with each of the Directors that with effect from Admission the 36,000,000 warrants referred to above will be cancelled and replaced with Warrants over 9,000,000 New Ordinary Shares exercisable at a price equal to the Subscription Price plus 15 per cent. at any time within three years of the date of Admission, allocated as follows:

- a) Simon Hunt (through Cornerstone Capital Limited) – 5,000,000 Warrants;
- b) David Paull – 2,000,000 Warrants; and
- c) John Molyneux – 2,000,000 Warrants.

In addition, Warrants to subscribe 2,000,000 New Ordinary Shares will be issued to Andrew Richards with effect from Admission, with the same terms as the 9,000,000 Warrants to be issued to the Directors as stated above.

#### *Second Convertible Loan Note*

The Company and Marine have agreed that, in consideration for a variation of the terms of the Second Convertible Loan Note as to the number of warrants to be issued, upon Admission Marine will be issued with Warrants on a 1 for 1.25 basis over 5,333,333 New Ordinary Shares exercisable at a price equal to the Subscription Price plus 15 per cent. at any time within three years of the date of Admission.

#### *Third Convertible Loan Note*

The Company and Marine have agreed that, in consideration for a variation of the terms of the Third Convertible Loan Note as to the number of warrants to be issued, upon Admission Marine will be issued with Warrants on a 1 for 1.25 basis over 2,547,263 New Ordinary Shares exercisable at a price equal to the Subscription Price plus 15 per cent. at any time within three years of the date of Admission.

#### *Further Warrants*

Further Warrants arise under the terms of the Consultancy Agreement and the Marine Consultancy Agreement. Please refer to the descriptions of those documents at paragraphs 12.7 and 12.6 of Part VI of this Document, respectively.

## **19. Corporate governance**

The Company is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board recognises the importance of sound corporate governance and the Directors intend to observe the

requirements of the UK Corporate Governance Code and QCA Code to the extent they consider appropriate in light of the Company's size, stage of development and resources. The Company intends to hold regular Board meetings throughout the year at which reports relating to the Enlarged Group's operations, together with financial reports, will be considered. The Board is responsible for formulating, approving and reviewing the Enlarged Group's strategy, budgets, major items of expenditure and senior personnel appointments.

#### *Audit committee*

An audit committee will be continued from Admission. The audit committee is expected to comprise the Chairman and Mr Paull and to be chaired by the Chairman. The audit committee will receive and review reports from management and from the auditor relating to the interim and annual accounts and to internal controls and risk management systems. The audit committee will be responsible for meeting regularly with the auditor, making recommendations to the Board on the appointment of the auditor and for approving the terms of engagement and remuneration of the auditor.

The audit committee will review reports from management and the Company's auditor on the financial accounts and internal control and risk management systems used throughout the Enlarged Group. The audit committee will also monitor the Company's procedures for detecting and preventing bribery and fraud.

#### *AIM Rules Compliance committee*

An AIM Rules compliance committee will be established on Admission. The committee will comprise the Chairman and one of the Company's non-executive directors and will be chaired by the Chairman. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with AIM rules. The committee will also ensure that each meeting of the board includes a discussion of AIM matters and assess (with the assistance of the Company's Nominated Adviser and other advisors) whether the Directors are aware of their AIM responsibilities from time to time.

The committee will seek to ensure that all announcements made have been verified and approved by the Company's Nominated Adviser. The committee will have particular responsibility for questioning the Directors in the event of any unusual, substantial movement in the Company's share price.

The committee will monitor the Company's compliance with the AIM Rules and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis.

#### *Remuneration committee*

A remuneration committee will be continued from Admission. The remuneration committee will comprise of two of the Company's non-executive directors.

The purpose of the remuneration committee is to ensure that the executive directors are fairly rewarded for their individual contributions to the overall performance of the Company, to determine all elements of the remuneration of the executive directors and to demonstrate to the Company's shareholders that the remuneration of the executive directors is set by a Board committee whose members have no personal interest in the outcome of the committee's decision and who will have appropriate regard to the interests of the shareholders.

The role of the remuneration committee will be to determine and agree with the Board the framework or broad policy for the remuneration of the Company's Directors and such other members of the executive management of the Enlarged Group as the remuneration committee considers appropriate. This will be done within the terms of the agreed policy, and in consultation with the Chairman as appropriate, to determine the total individual remuneration package of each Executive Director and other senior executives including bonuses, incentive payments and share options or other share awards, in all cases with due regard to the interests of Shareholders.

#### *Finance Committee*

A finance committee will be established on Admission. The committee will comprise the Chairman and David Paull and will be chaired by the Chairman.

The committee will be responsible for the integrity of the Company's financial reporting and will review and report to the Board on any significant financial reporting issues which they contain having regard to matters communicated to it by the Company's auditors.

The committee will implement any recommendations of Mazars in accordance with its advice to the Company in connection with the Admission, keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems, oversee the Company's cash-flows, oversee the Company's responses to cash calls in relation to the Company's proposed mining exploration project in Peru and oversee the extent to which the Company is complying with or exceeding budgets for expenditure and other items.

Given the Company's current size, The Board had not considered it necessary to constitute a nominations committee and the Board as a whole will consider the appointment of directors of the Company.

## **20. Bribery Act 2010**

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a risk review into its operational procedures to consider the impact of the Bribery Act 2010 and has drafted and implemented an anti-bribery policy as adopted by the Board. The Company is also implementing appropriate procedures, including arranging training for the Directors, employees and consultants in order to comply with the legislation.

## **21. Social, ethical and environmental responsibilities**

The Company believes in supporting the local community and working closely with all communities that it engages with during the exploration and development process. The Enlarged Group intends to hire local labour wherever possible to support exploration and operations in the field and to provide accident cover and medical treatment for workplace accidents. The Company believes in developing relationships with local communities in the project areas and providing all employees with suitable training to provide a positive local impact.

## **22. Dividend policy**

As following Admission the Company will be an exploration and development company and its assets will not be cash generative, the Directors do not anticipate paying dividends for the foreseeable future. The Directors recognise the importance of dividends to investors and, as the Enlarged Group's business matures, will keep under review the possibility of paying dividends. Any declaration and payment of future dividends by the Company and the quantum thereof will be dependent upon the Enlarged Group's results, financial position, cash requirements, future prospects, profits, the Company being able to satisfy the Solvency Test and other factors deemed by the Board to be relevant at the time. No assurance can however be given that the Company will ever be capable of paying or making, or resolve to pay or make, any dividends or other distributions.

## **23. The City Code and certain related provisions of the Isle of Man Law**

The Company is incorporated in the Isle of Man and application will be made for the Enlarged Share Capital to be re-admitted to trading on AIM. Accordingly, the City Code applies and will continue to apply to Hunter Resources.

Under Rule 9 of the City Code, any person who acquires an interest in shares (as defined in the City Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert with him) in aggregate carry 30 per cent. or more of the voting rights of a company which

is subject to the City Code, will normally be required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code, a concert party comprises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means, in the context, a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

Isle of Man law has statutory "squeeze out" provisions, but no "sell out" provisions.

Section 160 of the IOM Act 2006 provides that where a purchaser, through a contract or series of contracts involving the transfer of shares (or any class of shares) in a company, has obtained consent of 90 per cent. in value of the shares (or class of shares), the purchaser may give notice to any dissenters that it wants to acquire their shares. Upon such notice, save where the dissenters make an application to the Manx courts, the purchaser is entitled and bound to purchase those shares on the terms of the contract or contracts.

In addition to schemes of arrangement, the provisions for which under Isle of Man law are similar to the equivalent provisions in UK law, Manx law provides for "mergers" (company A merges into company B) and "consolidations" (company A and company B merge to form a new consolidated company C). These operate in a similar manner to a scheme of arrangement, save that they do not require court sanction. Generally, a written scheme of merger or consolidation is agreed between the boards of the two participating companies, circulated to shareholders and must be approved by 75 per cent. of the shareholders attending and voting of each company. Once approved, any dissenting shareholders are bound by the terms of the merger/consolidation, save that they have the right to apply to court for a determination of a fair value for their shares.

## **24. Disclosure and Transparency Rules**

As a Company incorporated in the Isle of Man, the Company is not subject to the provisions of the Disclosure and Transparency Rules and, consequently, Shareholders would not ordinarily be subject to any requirement to disclose to the Company the level of their interest in Ordinary Shares. In addition, Manx laws have no equivalent disclosure requirement. However, in line with current recommendations for companies incorporated outside the United Kingdom whose shares are admitted to trading on AIM, the Company has elected to incorporate certain provisions of the Disclosure and Transparency Rules and related provisions into the Articles, subject to the Articles being adopted by resolutions duly passed at the General Meeting and the Class Meeting.

The relevant provisions detail the circumstances in which a person may be obliged to notify the Company that they have an interest in voting rights in respect of the Ordinary Shares (a "notifiable interest"), or have had a notifiable interest in Ordinary Shares. An obligation to notify the Company arises when a person is interested in 3 per cent. or more of the voting rights attaching to the Ordinary Shares, and where such person's interest alters by a complete integer of 1 per cent. of the Ordinary Shares.

In addition, the Company is permitted to serve a notice on any person where the Company has reasonable cause to believe such person is interested in the Ordinary Shares or has been interested in the Ordinary Shares at any time during the three years immediately preceding the date on which the notice is issued. Such notice may require that person to confirm or deny that they are or were interested in the Ordinary Shares and, if they hold or have during that time held any such interest, to give such further information as may be requested.

If it shall come to the notice of the Directors that any Shareholder, significant member or any person appearing to be interested in the shares registered in the name of any Shareholder has not, within the requisite period, made or, as the case may be, procured the making of any notification required by the Articles, the Company may, at the absolute discretion of the Directors, at any time thereafter by notice to any Shareholder or any significant member direct that in respect of the shares in relation to which the default has occurred, such shares will not confer upon the Shareholder or significant member the right to vote at any general meeting of Shareholders and/or will not carry any right to dividends or other distributions.

## **25. Taxation**

A brief summary of certain current United Kingdom and Isle of Man tax legislation applicable to the holding of Ordinary Shares is set out in paragraph 16 of Part VI of this Document. If an investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser. Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

## **26. Risk factors**

Shareholders should consider carefully the risk factors set out in Part II of this Document in addition to the other information presented in this Document. Prospective UK investors are advised to consult an independent adviser authorised under FSMA.

## **27 Explanatory Notes regarding the resolutions to be proposed at the General Meeting and the Class Meeting**

### **27.1 Resolutions to be proposed at the General Meeting**

#### *Resolution 1 – approval of the Acquisition*

The Company is currently an Investing Company and the Acquisition amounts to a Reverse Takeover. The purpose of this resolution is to confirm that the Acquisition will be permitted by the Company's investing policy and to approve the Acquisition for the purposes of Rule 14 of the AIM Rules. Following Admission, the Company will cease to be an Investing Company.

#### *Resolution 2 – consolidation of the Ordinary Shares*

For the reasons stated earlier in this Document, the Board believes it would be beneficial to consolidate the Existing Ordinary Shares, by a ratio of ten to one, into the New Ordinary Shares. This resolution effects such consolidation.

#### *Resolution 3 – consolidation of the Deferred Shares*

The Existing Deferred Shares were created when the previous Ordinary shares of the Company were sub-divided into the Ordinary Shares and the Deferred Shares. Given that it is proposed, by resolution 2, to consolidate the Existing Ordinary Shares, the Board also proposes to consolidate the Existing Deferred Shares. This resolution effects such consolidation.

#### *Resolution 4 – increase in share capital*

The Proposed Transaction involves the issue of additional Ordinary Shares and, accordingly, Shareholders are asked to approve an increase in the number of Ordinary Shares in the capital of the Company for this, as well as to provide some further share capital in case the Company wishes to allot some additional New Ordinary Shares in the future.



#### *Resolutions 5 and 6 – authority to allot Ordinary Shares*

Under the Company’s existing articles of association, the Directors are not permitted to allot Ordinary Shares without the authority of Shareholders. These resolutions seek such authority for the issue of Ordinary Shares and the grant of Warrants (including to the Directors and the Proposed Director) as part of the Proposed Transaction, at a level designed to give the Board a degree of flexibility as well as for the allotment of additional Ordinary Shares, with an aggregate nominal value of up to £300,000 following Admission should the Board believe that this would be in the best interests of the Company.

#### *Resolution 7 – disapplication of pre-emption rights*

Under the Company’s existing articles of association, new Ordinary Shares must first be offered to existing Shareholders in proportion to their existing shareholdings, unless such rights have been disapplied by special resolution. Accordingly, this resolution, if passed, would disapply such pre-emption rights to the extent of the authority to be conferred on the Board pursuant to resolutions 5 and 6.

#### *Resolution 8 – re-registration of the Company as a company incorporated under the IOM 2006 Act*

As noted elsewhere in this Document, the Company is using the opportunity afforded by the General Meeting to propose that it be re-registered under the IOM 2006 Act. This legislation is more modern than the legislation under which the Company is currently incorporated and the Board believe that it would be beneficial to be able to take advantage of the updated legislation and some of the easing of restrictions on and simplifications for the Company which the IOM 2006 Act offers.

#### *Resolution 9 – adoption of the Articles*

In connection with the re-registration of the Company referred to above, the Company proposes to adopt the Articles, further details of which are set out in paragraph 6 of Part VI of this Document.

### **27.2 Resolutions to be proposed at the Class Meeting**

#### *Resolution 1 – consolidation of the Deferred Shares*

Please refer to the explanatory note for resolution 3 to be proposed at the General Meeting. The holders of the Deferred Shares are asked to approve this as a separate class of holders of shares in the capital of the Company.

#### *Resolution 2 – re-registration of the Company as a company incorporated under the IOM 2006 Act*

Please refer to the explanatory note for resolution 8 to be proposed at the General Meeting. The holders of the Deferred Shares are asked to approve this as a separate class of holders of shares in the capital of the Company.

#### *Resolution 3 – adoption of the Articles*

Please refer to the explanatory note for resolution 9 to be proposed at the General Meeting. The holders of the Deferred Shares are asked to approve this as a separate class of holders of shares in the capital of the Company.

If either Shareholders do not approve the Resolutions or if the Minimum Subscription is not raised, Admission will not take place and the Company’s existing admission to trading on AIM will be cancelled.

### **DEFINITIONS**

“Acquisition”	the conditional acquisition of Gold Hunter by the Company pursuant to the Acquisition Agreement;
“Acquisition Agreement”	the conditional agreement between the Company, Gold Hunter and Global Pearl setting out the terms of the sale and purchase of Gold Hunter, details of which are set out in paragraph 12.2 of Part VI of this Admission Document;
“Act” or the “Companies Act”	the UK Companies Act 2006 (as amended);

“Admission”	re-admission of the entire issued and to be issued ordinary shares capital of the Company to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
“Admission Document” or “Document”	this admission document;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules for Companies” or “AIM Rules”	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published and amended from time to time by the London Stock Exchange;
“AIM Rules for Nominated Advisers”	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published and amended from time to time by the London Stock Exchange;
“Applicable Employee”	as defined in the AIM Rules as, <i>inter alia</i> , any employee of the Company, together with that employee’s family, who has a holding in 0.5 per cent. or more of the Ordinary Shares;
“Articles”	the articles of association of the Company intended to be adopted with effect from shortly after Admission upon the proposed re-registration of the Company under the IOM Act 2006 and which are summarised in paragraph 6 of Part VI of this Admission Document;
“Bankable Feasibility Study”	a study completed in accordance with industry standards that is of a standard suitable to be submitted to a financial institution as the basis for lending of funds for the development and operation of the mine contemplated in the study and is capable of supporting a decision to commence mining operations;
“Board” or “Directors”	the directors of the Company whose names appear on page 6 of this Document;
“CIM”	Canadian Institute of Mining, Metallurgy and Petroleum;
“City Code”	the UK City Code on Takeovers and Mergers;
“Class Meeting”	the meeting of holders of Deferred Shares to be held at the offices of Appleby Trust (Isle of Man) Limited on 30 June 2014 at and any adjournment thereof for the purposes of considering and, if thought fit, passing the resolutions set out in the notice on pages 172 to 173 of this Document;
“CMP”	Compañía Minera Pampamali, a company incorporated in Peru with certificate number 11362115;
“Company” or “Hunter Resources”	Hunter Resources plc, a company incorporated in the Isle of Man with registered number 115011C;
“Competent Person” or “Mining Plus”	Mining Plus Canada Inc. of Suite 440, 580 Hornby Street, Vancouver BC, V6C 3B6, Canada, which has authored the CPR;
“Competent Person’s Report” or “CPR”	the independent report from Mining Plus which appears in Part III of this Document;

“Consideration Shares”	the New Ordinary Shares to be issued to Global Pearl pursuant to the terms of the Acquisition Agreement;
“Consolidation”	the one for 10 share consolidation further details of which are set out in Section A of Part I of this Admission Document, pursuant to which the Existing Ordinary Shares will be consolidated into New Ordinary Shares and the Existing Deferred Shares will be consolidated into New Deferred Shares;
“Consultancy Agreement”	the agreement entered into between the Company, Global Pearl and the Management Team regarding the ongoing management of the Pampamali Project, as described in paragraph 12.7 of Part VI of this Admission Document;
“Convertible Loan Notes”	The First, Second and Third Convertible Loan Notes issued by the Company as summarised in paragraph 15 of Section B of Part VI of this Admission Document;
“Conversion”	the issue of the Conversion Shares to holders of the Convertible Loan Notes on Admission at one penny per New Ordinary Share (in the case of the First Convertible Loan Note) and at the equivalent per Conversion Share of the Subscription Price (in the case of the Second and Third Convertible Loan Notes);
“Conversion Shares”	the New Ordinary Shares to be issued on Admission following the conversion of the outstanding Convertible Loan Notes;
“CREST”	the computer-based system and procedures operated by Euroclear which enable title to securities to be evidenced and transferred without a written instrument;
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended by the Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009 (SI 2009/1889);
“Deferred Shares”	Existing Deferred Shares or New Deferred Shares, as the case may be;
“Directors” or “Board”	the directors of the Company, whose names are set out on page 6 of this Document;
“Disclosure and Transparency Rules”	the Disclosure and Transparency Rules made by the FCA in its capacity as the UK Listing Authority pursuant to Section 7A of FSMA;
“Director Warrants”	the Warrants to subscribe 11 million New Ordinary Shares to be issued to the Directors and Andrew Richards;
“Enlarged Group”	the Company and its Subsidiaries following completion of the Acquisition;
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Admission;
“Euro” or “€”	the lawful currency of certain members of the European Union from time to time;
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the operator of CREST;
“Existing Deferred Shares”	deferred shares of 0.9 pence each in the capital of the Company prior to the Consolidation;

“Existing Ordinary Shares”	ordinary shares of 0.1 pence each in the capital of the Company prior to the Consolidation;
“Existing Share Capital”	the Existing Ordinary Shares;
“Farm In Agreement” or “JV Agreement”	the form-in agreement relating to the Pampamali Project dated 23 May 2014 and made between Gold Hunter, H&P, CMP and others, further details of which can be found in paragraph 12.9 of this Document;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“First Convertible Loan Note”	the £25,868 loan note issued by the Company to Marine, further details of which can be found in paragraph 15 of Section B of Part I of this Admission Document;
“Form of Proxy”	the form of Proxy which accompanies this Admission Document for use by Shareholders and holders of Deferred Shares in connection with the General Meeting and the Class Meeting;
“FSMA”	the Financial Services and Market Act 2000, as amended;
“General Meeting”	the general meeting of the Company to be held at the offices of Appleby Trust (Isle of Man) Limited on 30 June 2014 at midday and any adjournment thereof for the purpose of considering and, if thought fit, passing of the Resolutions;
“Global Pearl”	Global Pearl Limited, a company incorporated in the British Virgin Islands with company number 1744814 and controlled by the Management Team;
“Global Pearl Warrants”	the Warrants over 15 million New Ordinary Shares to be issued to Global Pearl, further details of which can be found in paragraph 12.7 of Part VI of this Document;
“Gold Hunter”	Gold Hunter S.A.C., a company incorporated in Peru with certificate number 13164856;
“Group”	the Company and its Subsidiaries as at the date of this Admission Document;
“Group Company”	a member of the Group;
“H&P”	H&P Contratistas Mineros S.A.C., a company incorporated in Peru with certificate number 11849501;
“HMRC”	Her Majesty’s Revenue and Customs;
“IOM Act 1931”	the Isle of Man Companies Act 1931 (as amended);
“IOM Act 2006”	the Isle of Man Companies Act 2006 (as amended);
“Investing Company”	as so defined in the AIM Rules;
“JORC Code”	“The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” published by the Australasian Joint Ore Reserves Committee;

“London Stock Exchange”	London Stock Exchange plc;
“Management Team”	the Global Pearl team comprising David Fowler, Sam Pierce and Tim Adams (further details of whom are given in paragraph 12 of Section B of Part I of this Document);
“Marine”	Marine Investments (WA) Pty Limited, a company incorporated in Western Australia, with ABN number 57 315 206 483 and controlled by Peter Lalor, further details of whom are given in paragraph 12 of Section B of Part I of this Document;
“Marine Mandate Agreement”	the agreement dated 4 December 2012 between the Company and Marine, further details of which can be found in paragraph 12 of Part I of this Document;
“Marine Shares”	the 5,333,333 New Ordinary Shares to be issued to Marine under the Marine Mandate Agreement, the 2,586,800 New Ordinary Shares to be issued to Marine under the First Convertible Loan Note, the 6,666,667 New Ordinary Shares to be issued to Marine under the Second Convertible Loan Note and the 3,184,067 New Ordinary Shares to be issued to Marine under the Third Convertible Loan Note, assuming no further drawdown on the Third Convertible Loan Note, further details of which can be found in paragraphs 15 of Section B of Part I of this Document;
“Marine Warrants”	the Warrants over 6.2 million New Ordinary Shares to be issued to Marine as well as the Warrants over up to 7,880,596 million New Ordinary Shares to be issued to Marine in connection with the Second and Third Convertible Loan Notes, assuming no further drawdown on the Third Convertible Loan Note;
“Maximum Subscription”	combined aggregate subscriptions of £1,102,000 through the Placing and Subscription;
“Memorandum”	the memorandum of association of the Company intended to be adopted with effect from shortly after Admission upon the proposed re-registration of the Company under the IOM Act 2006 which is summarised in the letter from the Chairman of the Company set out in Section A of Part I of this Admission Document;
“Minimum Subscription”	combined aggregate subscriptions of £852,000 through the Placing and Subscription;
“MOU”	the memorandum of understanding between the Company and Global Pearl dated 27 December 2013 outlining the terms of the sale and purchase of Gold Hunter, to be formalised in the Acquisition Agreement;
“New Deferred Shares”	deferred shares of nine pence each in the capital of the Company following the Consolidation;
“New Ordinary Shares”	ordinary shares of one penny each in the capital of the Company following the Consolidation;
“Nominated Adviser” or “Allenby Capital”	Allenby Capital Limited, the Company’s Nominated Adviser and Broker;
“Notice of Class Meeting”	the notice of the Class Meeting that is included on pages 172 to 173 of this Document;
“Notice of General Meeting”	the notice of the General Meeting that is included on pages 169 to 171 of this

	Document;
“Official List”	the Official List of the UK Listing Authority;
“Ordinary Shares”	Existing Ordinary Share or New Ordinary Shares, as the case may be;
“Pampamali Project”	the eight Pampamali mineral exploration concessions located in central Peru in the department of Huancavelica;
“Panel” or “Takeover Panel”	the UK Panel on Takeovers and Mergers, the independent body that issues and administers the City Code;
“PEN” or “Sol”	the Peruvian Nuevo Sol, the lawful currency of Peru;
“Placees”	subscribers for Placing Shares pursuant to the Placing;
“Placing”	the proposed conditional placing of the Placing Shares with the Placees at the Placing Price pursuant to the Placing Agreement and the Placing Letters;
“Placing Agreement”	the conditional agreement relating to the Placing, dated [•] May 2014 between (1) the Company, (2) the Directors and the Proposed Director, and (3) Allenby Capital, further details of which are given in paragraph 12.3 of Part VI of this document;
“Placing Price”	1.5 pence per Placing Share (being the same as the Subscription Price);
“Placing Shares”	New Ordinary Shares to be issued by the Company pursuant to the Placing;
“Proposed Director”	Mr Andrew Richards, further details of whom can be found in paragraph 12 of Section B of Part I of this Document;
“Proposed Transaction”	collectively, the Acquisition, Admission, the Subscription, the Placing, the proposed re-registration of the Company under the IOM 2006 Act, the proposed adoption of the Articles and the proposed grant of certain warrants relating to New Ordinary Shares, as described in this Document;
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to Part VI of FSMA;
“QCA Code”	the Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 as published by the Quoted Companies Alliance;
“Registrars”	Neville Registrars Limited;
“Resolutions”	the resolutions to be put to Shareholders at the General Meeting, details of which can be found in the Notice of General Meeting (and as the same may be amended from time to time);
“Reverse Takeover”	as so defined in the AIM Rules;
“Second Convertible Loan Note”	the £100,000 loan note issued by the Company to Marine, further details of which can be found in paragraph 15 of Section B of Part I of this Admission Document;
“Share Dealing Code”	the Company’s share dealing code as referred to in paragraph 14 of Section B of Part

	I of this Admission Document;
“Shareholders”	holders of Ordinary Shares in the Company from time to time;
“Subscription Price”	1.5 pence per Subscription Share (being the same as the Placing Price);
“Subscription Shares”	New Ordinary Shares subscribed for under the Subscription at the Subscription Price;
“Subsidiary”	a subsidiary undertaking as defined in section 1159 of the Companies Act and “Subsidiaries” shall be construed accordingly;
“Significant Shareholders”	as defined in the AIM Rules as, <i>inter alia</i> , any person who holds any legal or beneficial interest directly or indirectly in three per cent. or more of the Ordinary Shares;
“Solvency Test”	the solvency test set out at section 49 of the IOM 2006 Act, being that a company is able to pay its debts as they become due in the normal course of its business and that the value of its assets exceeds the value of its liabilities;
“Subscription”	the subscription for Subscription Shares as summarised in paragraph ● of Part VI of this Admission Document;
“Subscription Price”	1.5 pence per Subscription Share (being the same as the Placing Price);
“Subscription Shares”	New Ordinary Shares subscribed for under the Subscription at the Subscription Price;
“Subsidiary”	a subsidiary undertaking as defined in section 1159 of the Companies Act and “Subsidiaries” shall be construed accordingly;
“Substantial Shareholders”	as defined in the AIM Rules as, <i>inter alia</i> , any person who holds any legal or beneficial interest directly or indirectly in 10 per cent. or more of the Ordinary Shares;
“Third Convertible Loan Note”	the partially-drawn loan note issued by the Company to Marine dated 3 March 2014, under which approximately \$80,000 being £47,761 using the exchange rate disclosed in this Admission Document (out of a possible maximum of \$150,000) had been drawn down by the Company as at the date of this Document, further details of which can be found in paragraph 15 of Section B of Part I of this Admission Document;
“UK Corporate Governance Code”	the UK Corporate Governance Code as published by the Financial Reporting Council;
“Uncertificated”	an ordinary share recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions;

“US\$” or “\$”	United States dollars, the lawful currency of the United States;
“US Securities Act”	the US Securities Act of 1933, as amended;
“VAT”	value added tax;
“Vendors”	CMP and H&P, who are the current owners of the Pampamali Project;
“Warrants”	warrants to subscribe for New Ordinary Shares; and
“£”, “Pounds Sterling”, “pence” and “p”	the lawful currency of the United Kingdom.

In this Document, where applicable, an exchange rate of £1 to \$1.675 has been used.