

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt about the contents of this document or about the action you should take you should consult immediately your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (or, if you are outside the United Kingdom, a person otherwise duly qualified in your jurisdiction) who specialises in advising on the acquisition of shares and other securities.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares in the Company, please send this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents.

The Directors, whose names appear on page 4 of this document, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of each of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

TOWER RESOURCES PLC

(Registered in England and Wales with company number 05305345)

PROPOSED SHARE CAPITAL REORGANISATION

and

NOTICE OF ANNUAL GENERAL MEETING

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company set out on pages 4 to 8 of this document, which contains your Board's unanimous recommendation to vote in favour of the Resolutions set out in the notice of Annual General Meeting referred to below.

A notice of an Annual General Meeting of the Company to be held at the offices of Peel Hunt LLP, Moor House, 120 London Wall, EC2Y 5ET on 6th April 2016 at 2.30 pm is set out at the end of this document. Shareholders are requested to complete and return the enclosed Form of Proxy to the Company's Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by hand, or send by post to FREEPOST CAPITA PXS as soon as possible, but in any event, so as to arrive no later than 2.30 pm on 4th April 2016, whether or not they propose to be present at the Annual General Meeting. The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting should they subsequently wish to do so.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date hereof until 4th April 2016 from the Company's registered office. Copies will also be available to download from the Company's website at www.towerresources.co.uk

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular posted to Shareholders	14th March 2016
Latest time and date for receipt of Forms of Proxy	2.30 pm on 4th April 2016
Annual General Meeting	2.30 pm on 6th April 2016
Record Date for the Share Capital Reorganisation	6.00 pm on 6th April 2016
Admission of the New Ordinary Shares to trading on AIM	8.00 am on 7th April 2016
Expected date on which CREST accounts are to be credited	7th April 2016
Expected date by which definitive new share certificates are to be despatched	21st April 2016

Notes:

- (1) References to times in this document are to London time (unless otherwise stated).
- (2) The timing of the events in the above timetable and in the rest of this document is indicative only and may be subject to change.
- (3) If any of the above times or dates should change, the revised times and/or dates will be notified by an appropriate announcement to a Regulatory Information Service.
- (4) All events listed in the above timetable following the holding of the Annual General Meeting are conditional upon the passing of the Resolutions.

DEFINITIONS

In this document and in the accompanying Form of Proxy, the following words and expressions shall, except where the context requires otherwise, have the following meanings:

“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	the AIM market operated by the London Stock Exchange plc;
“AIM Rules”	the rules applicable to AIM companies and governing the operation of AIM, as published by the London Stock Exchange from time to time;
“Amended Articles”	the articles of association of the Company as amended following the passing of Resolution 9 at the Annual General Meeting, further details of which are set out in section 6 of this document;
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held on 6th April 2016, notice of which is set out at the end of this document;
“Board” or “Directors”	the board of directors of the Company;
“Capita Asset Services”	a trading name of Capita Registrars Limited;
“certificated” or “in certificated form”	the description of a share or other security which is not in uncertificated form (that is, not in CREST);
“Companies Act”	the Companies Act 2006, as amended;
“Company”	Tower Resources plc;
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which CREST Limited is the Operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 1/3755) (as amended);
“Deferred Shares”	the new deferred shares of £0.00004 each in the Company arising from the Share Capital Reorganisation and having the rights set out in the Amended Articles;
“Existing Articles”	the articles of association of the Company as at the date of this document;
“Existing Ordinary Shares”	the existing ordinary shares of £0.001 each in the Company in issue at the date of this document, each ordinary share to be subdivided, redesignated and consolidated into 27,228,472 New Ordinary Shares of £0.01 and 163,370,833,248 Deferred Shares of £0.00004 following completion of the Share Capital Reorganisation;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the Annual General Meeting;
“Fractional Shareholder”	has the meaning ascribed to that expression in section 3 of this document;
“New Ordinary Shares”	the new ordinary shares of £0.01 each in the Company arising on consolidation of the Existing Ordinary Shares;
“Record Date”	close of business on 6.00 pm on 6th April 2016 (or such other time and date as the Directors may determine);
“Resolutions”	the resolutions set out in the notice of Annual General Meeting attached to this document;
“Share Capital Reorganisation”	has the meaning ascribed to that expression in section 1 of this document;
“Shareholder”	a holder of Existing Ordinary Shares;
“Subdivided Shares”	the new subdivided Ordinary Shares of £0.00004 each in the Company arising from the subdivision of the Existing Ordinary Shares, but prior to the consolidation into New Ordinary Shares of £0.01 each;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“uncertificated” or “in uncertificated form”	shares being held in uncertificated form in CREST and title to which by virtue of the Regulations may be transferred by means of CREST.

(Registered in England and Wales with company number 05305345)

Directors:

Jeremy Asher, Chairman
Graeme Thomson, Chief Executive Officer
Nigel Quinton, Exploration Director
Peter Blakey, Non-Executive Director
Dr Philip Frank, Non-Executive Director
Philip Swatman, Senior Independent Non-Executive Director
Peter Taylor, Non-Executive Director

Registered Office:

Tower Resources Plc
One America Square
Crosswall
London
EC3N 2SG

14 March 2016

To the Shareholders

PROPOSED SHARE CAPITAL REORGANISATION and NOTICE OF ANNUAL GENERAL MEETING

Dear Shareholder,

1 INTRODUCTION

I am writing to you with details of the Annual General Meeting which we are holding at the offices of Peel Hunt LLP, Moor House, 120 London Wall, EC2Y 5ET at 2.30 pm on 6th April 2016. Formal notice of the Annual General Meeting is set out at the end of this document.

The resolutions to be proposed at the Annual General Meeting are as follows:

- To receive and adopt the report of the directors and the financial statements for the year ended 31st December 2015
- To re-elect Philip Frank as a director of the Company
- To re-elect Nigel Quinton as a director of the Company
- To re-appoint UHY Hacker Young LLP as auditors and to authorise the directors to determine their remuneration
- To renew the Board's authority to allot relevant securities up to an aggregate nominal amount of £544,569.44, being equal to approximately 200% of the Company's issued ordinary share capital following the Share Capital Reorganisation (as defined below)
- To renew the Board's authority to allot relevant securities as if statutory pre-emption rights did not apply to the allotment of new securities up to an aggregate nominal amount of £272,284.72, being equal to approximately 100% of the Company's issued ordinary share capital following the Share Capital Reorganisation (as defined below), to provide the Company with sufficient capacity to allot further shares over the coming year to, *inter alia*, raise further finances for the Company if the Directors consider this appropriate and in the best interests of the Company.

In addition to the above resolutions the Company is also proposing, as special business, the subdivision, re-designation and consolidation of the existing share capital of the Company and an amendment to the Company's articles of association. The Company presently has 6,807,118,052 Existing Ordinary Shares in issue, each of which has a nominal value of £0.001. The volume weighted average ("VWAP") price per share during the period from 1 February to 29 February 2016 was £0.000774 and the Company is not permitted by law to issue shares at an issue price which is below their nominal value. In order to enable the Company to issue shares in the future at an issue price which exceeds their nominal value, and to reduce the number of shares in issue, shareholder approval is being sought to complete a share capital reorganisation ("**Share Capital Reorganisation**"). The Share Capital Reorganisation is subject to Shareholder approval and therefore the passing of the following Resolutions.

Resolution 5 – Subdivision and redesignation of Existing Ordinary Shares

Resolution 5 will be proposed as an ordinary resolution of the Company, and is conditional on the passing of Resolution 9. Resolution 5 approves the subdivision and redesignation of the 6,807,118,052 Existing Ordinary Shares of £0.001 each in the capital of the Company into: (i) 6,807,118,052 Subdivided Shares of £0.00004 each and (ii) 163,370,833,248 Deferred Shares of £0.00004 each in the capital of the Company.

Resolution 6 – Consolidation of Subdivided Shares

Resolution 6 will be proposed as an ordinary resolution of the Company and is conditional on the passing of Resolution 5. Resolution 6 approves the consolidation of the 6,807,118,052 Subdivided Shares into 27,228,472 New Ordinary Shares of £0.01 in the capital of the Company.

Resolution 9 – Amendments to Existing Articles

Resolution 9 will be proposed as a special resolution to enable the Directors to make consequential amendments to the Existing Articles in order to include provisions in respect of the Deferred Shares and the subdivision and redesignation of the Existing Ordinary Shares and is conditional on the passing of Resolution 5 and Resolution 6 above. As explained in section 4 below, the Deferred Shares will have limited rights in respect of voting and the entitlement to receive dividends, and only very limited rights on a return of capital.

Therefore, the purpose of this document is also to provide you with information about the background to and the reasons for the Share Capital Reorganisation, to explain why the Board considers the Share Capital Reorganisation to be in the best interests of the Company and its Shareholders as a whole, and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the Annual General Meeting, notice of which is set out at the end of this document.

As more fully explained in sections 2, 3, 4 and 5 below, the Share Capital Reorganisation is a standard, multi-phase process designed to alter the nominal value of the Company's ordinary share capital and create an appropriate buffer between the nominal value and market value of such shares. Shareholders are advised to read this document in its entirety.

If you would like to vote on the Resolutions but cannot attend the Annual General Meeting, please fill in the Form of Proxy enclosed with this document and return it to the Company's Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by hand, or sent by post to FREEPOST CAPITA PXS as soon as possible, but in any event, so as to arrive with the Company's Registrars no later than 2.30 pm on 4th April 2016.

2 BACKGROUND TO AND REASONS FOR THE SHARE CAPITAL REORGANISATION

The market price for the Company's shares is currently below its nominal value. Pursuant to the provisions of section 580 of the Companies Act, the Company may not issue shares at an issue price which is less than the nominal value of those shares. This restricts the Company's ability to preserve cash by using its shares as consideration for various ongoing expenses such as consultants and Directors fees, for which shares have previously been used. In addition, in the event that Directors believe it is in the best interests of the Company to raise capital, the current nominal value would restrict the Company's ability to do so.

A further consequence of having a very large number of shares in issue, with a very low market share price, is that small share trades can result in large percentage movements in the market share price which results in considerable volatility. The Board also believes that the bid-offer spread on shares priced at low absolute levels can be disproportionate to the market share price, to the detriment of Shareholders. The Share Capital Reorganisation may therefore avoid large dealing spreads in the shares and may ensure that the share price volatility is reduced.

The Share Capital Reorganisation will have the effect of enabling the Company to issue shares at an issue value above their normal value and reducing the number of Existing Ordinary Shares in issue. The Directors believe that this will result in a market share price that will be at a more appropriate level for the Company as well as reducing the share price volatility.

Assuming no further Existing Ordinary Shares of £0.001 are issued before the Annual General Meeting and that the Resolutions are passed, the Company will have a maximum of 27,228,472 New Ordinary Shares of £0.01 each.

3 DETAILS OF THE PROPOSED SHARE CAPITAL REORGANISATION

It is proposed that the 6,807,118,052 Existing Ordinary Shares will be subdivided, redesignated and consolidated on the basis of, and according to, the steps set out in Resolutions 5 and 6.

Resolution 5 – Subdivision and redesignation of Existing Ordinary Shares

It is proposed that each Existing Ordinary Share will be subdivided and redesignated as one ordinary share of £0.00004 (each, a “**Subdivided Share**”) and 24 Deferred Shares of £0.00004. Please refer to section 4 below for details of the Deferred Shares.

Resolution 6 – Consolidation of Subdivided Shares

It is then proposed that every 250 Subdivided Shares will be consolidated into one New Ordinary Share of £0.01 each. Unless a shareholding equals or exceeds 250 Existing Ordinary Shares (and therefore 250 Subdivided Shares), Shareholders will be left with a fractional entitlement to the New Ordinary Shares if the Resolutions are approved.

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the consolidation of Existing Ordinary Shares described above, any Shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares at the Record Date (a “**Fractional Shareholder**”), such fractions shall be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company may be entitled so as to form full New Ordinary Shares and sold in accordance with the relevant provisions of the Existing Articles. This means that any such Fractional Shareholder will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares.

The Company will be authorised to sell New Ordinary Shares arising from fractional shareholdings on behalf of Fractional Shareholders as soon as reasonably practicable following the passing of the Share Consolidation Resolution for the best price then reasonably available for those shares.

In accordance with article 13.5 of the Existing Articles, the Board has resolved that due to the costs involved cash proceeds of less than £5.00 per Fractional Shareholder from the sale of the New Ordinary Shares arising from fractional shareholdings will not be distributed to Fractional Shareholders but shall belong absolutely to the Company.

Upon implementation of the Share Capital Reorganisation, Shareholders on the register of members of the Company at the close of business on the Record Date, which is expected to be 6.00 pm on 6th April 2016, will exchange 250 Existing Ordinary Shares for one New Ordinary Share and so on, in proportion for any other number of Existing Ordinary Shares then held. The proportion of the issued ordinary share capital of the Company held by each Shareholder following the Share Capital Reorganisation will, save for fractional entitlements, be unchanged.

Following the subdivision and redesignation of the Existing Ordinary Shares and subsequent consolidation of the Subdivided Shares, the nominal value of each New Ordinary Share will be £0.01. Apart from the change in nominal value (from £0.001 to £0.01), the New Ordinary Shares arising on implementation of the Share Capital Reorganisation will have the same rights as the Existing Ordinary Shares, including the rights in respect of voting and the entitlement to receive dividends.

4 DEFERRED SHARE RIGHTS

As is standard, it is proposed that each Deferred Share will have very limited rights and will effectively be valueless. CREST accounts of Shareholders will not be credited in respect of any entitlement to Deferred Shares.

The Deferred Shares shall have the rights and restrictions as set out in the Amended Articles and shall not entitle the holder thereof to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution. A Deferred Share shall entitle the holder thereof to participate in any return of capital on a winding up of the Company but only after the liabilities of the Company have been paid and after the holders of New Ordinary Shares have received the sum of £10,000,000 for each New Ordinary Share held by them and the holder of a Deferred Share shall have no other right to participate in the assets of the Company. A Deferred Share is liable to be cancelled without payment of any consideration to the holder of the Deferred Share.

5 NEW ORDINARY SHARE RIGHTS

It is proposed that each New Ordinary Share will carry the same rights in all respects under the Amended Articles as each Existing Ordinary Share does at present under the Existing Articles, including the rights in respect of voting and the entitlement to receive dividends.

6 AMENDMENT TO THE EXISTING ARTICLES

As part of the Share Capital Reorganisation, the Company proposes to make consequential amendments to the Existing Articles to include provisions in respect of the Deferred Shares. Please refer to Resolution 9 set out in the Notice of the Annual General Meeting at the end of this document for further details on such proposed amendments.

The Share Capital Reorganisation is conditional on the approval of the Shareholders at the Annual General Meeting.

7 ADMISSION TO AIM AND SETTLEMENT

The Share Capital Reorganisation is conditional upon the New Ordinary Shares being admitted to AIM. Application for such Admission will be made so as to enable the New Ordinary Shares to be admitted to trading on AIM as soon as practicable following the Record Date. It is expected that Admission will become effective at 8.00 am on 7th April 2016.

If you hold a share certificate in respect of your Existing Ordinary Shares in the Company, your certificate will no longer be valid from the time that the proposed Share Capital Reorganisation becomes effective. If you hold 250 or more Existing Ordinary Shares on the Record Date you will be sent a new share certificate evidencing the New Ordinary Shares to which you are entitled under the Share Capital Reorganisation. Such certificates are expected to be dispatched no later than 21st April 2016 by first class post at the risk of the Shareholder. Upon receipt of the new certificate, you should destroy any old certificates. Pending the dispatch of the new certificates, transfers of certificated New Ordinary Shares will be certified against the Company's share register.

If you hold your Existing Ordinary Shares in uncertificated form, you should expect to have your CREST account credited with the New Ordinary Shares to which you are entitled on implementation of the Share Capital Reorganisation on 7th April 2016 or as soon as practicable after the Share Capital Reorganisation becomes effective.

8 TAXATION

The following statements are intended only as a general guide to the current tax position under UK taxation law and practice. They relate only to certain limited aspects of the UK tax position for individual Shareholders who are the beneficial owners of Existing Ordinary Shares and who are resident and domiciled in the UK for tax purposes and who hold their shares in the Company as an investment (and not as securities to be realised in the course of a trade). The following is not, and is not intended to be, an exhaustive summary of the tax consequences of acquiring, holding and disposing of Existing Ordinary Shares or New Ordinary Shares and it does not constitute advice. If you are in any doubt as to your tax position or are subject to tax in any jurisdiction other than the UK, you should consult, and rely upon the advice of, a duly authorised professional adviser.

The proposed Share Capital Reorganisation should constitute a reorganisation of the Company's share capital for the purposes of section 126 of the Taxation of Chargeable Gains Act 1992. For the purposes of UK taxation of chargeable gains, to the extent that you receive New Ordinary Shares under the proposed Share Capital Reorganisation, you should not be treated as making a disposal of any of your Existing Ordinary Shares or an acquisition of New Ordinary Shares. The New Ordinary Shares will be treated as the same asset as, and as having been acquired at the same time and for the same aggregate cost as, the holding of Existing Ordinary Shares from which they derive.

Any entitlements to fractions of New Ordinary Shares arising as a result of the Share Capital Reorganisation will be consolidated and sold on behalf of the Shareholders entitled to the same.

If you hold fewer than 250 Existing Ordinary Shares at the time the proposed Share Capital Reorganisation takes effect you will be treated as having disposed of such Existing Ordinary Shares. As a result you may, depending on your individual circumstances, realise a chargeable gain or an allowable loss for tax purposes.

If, and to the extent that, you receive cash and New Ordinary Shares under the proposed Share Capital Reorganisation as a result of the sale of fractional entitlements, you may, under the current practice of HM Revenue and Customs, treat the cash received as a deduction from any base cost you may have in your Existing Ordinary Shares (and, accordingly, the New Ordinary Shares held after the proposed Share Capital Reorganisation) rather than as consideration for a disposal of the Existing Ordinary Shares held representing such fractional entitlement.

Shareholders due to receive cash proceeds of less than £5.00 will not receive any payment from the Company for their fractional entitlement. Such Shareholders should be treated as having disposed of their fractional entitlement for £0 and, accordingly, do not need to deduct any amount from the base cost on their Existing Ordinary Shares.

No liability to stamp duty or stamp duty reserve tax should be incurred by a holder of Existing Ordinary Shares as a result of the proposed Share Capital Reorganisation.

9 ANNUAL GENERAL MEETING

In order to give effect to the Share Capital Reorganisation, the Resolutions need to be approved by Shareholders in general meeting.

You will therefore find set out at the end of this document a notice convening the Annual General Meeting to be held at the offices of Peel Hunt LLP, Moor House, 120 London Wall, EC2Y 5ET at 2.30 pm on 6th April 2016 at which the Resolutions set out in the notice of meeting will be proposed.

10 ACTION TO BE TAKEN BY SHAREHOLDERS

A Form of Proxy is enclosed for use by Shareholders at the Annual General Meeting. If you are a Shareholder, you are requested to complete, sign and return the Form of Proxy, whether or not you intend to be present at the meeting, and return it to the Company's Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by hand, or send by post to FREEPOST CAPITA PXS. The completion and return of a Form of Proxy will not prevent you from attending the Annual General Meeting and voting in person should you subsequently wish to do so.

11 RECOMMENDATION

The Directors consider that the Share Capital Reorganisation is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions being proposed at the Annual General Meeting, as they intend to do or procure to be done in respect of their own and their connected persons' beneficial holdings, amounting, in aggregate, to 914,833,819 Existing Ordinary Shares, which represents approximately 13.4% of the Company's existing issued share capital.

Yours faithfully

Jeremy Asher
Chairman

TOWER RESOURCES PLC

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 05305345)

Notice is hereby given that the Annual General Meeting of the above named company will be held at the offices of Peel Hunt LLP, Moor House, 120 London Wall, EC2Y 5ET at 2.30 pm on 6th April 2016 for the purpose of considering and, if thought fit, passing the following Resolutions.

ORDINARY RESOLUTIONS

1. To receive and adopt the report of the directors and the financial statements for the year ended 31st December 2015 and the report of the auditors thereon.
2. To re-elect, as a non-executive director of the Company, Philip Frank, who retires in accordance with Article 20.2 of the Company's Articles of Association and offers himself for re-election.
3. To re-elect, as a director of the Company, Nigel Quinton, who retires in accordance with Article 20.2 of the Company's Articles of Association and offers himself for re-election.
4. To re-appoint UHY Hacker Young LLP as auditors and to authorise the directors to determine their remuneration.
5. **THAT**, subject to and conditional on the passing of Resolution 9 in the notice convening a meeting to be held on 6th April 2016, each of the issued ordinary shares of £0.001 in the capital of the Company (the "**Existing Ordinary Shares**") be subdivided and redesignated into one ordinary share of £0.00004 (the "**Subdivided Shares**") and 24 deferred shares of £0.00004 (the "**Deferred Shares**").
6. **THAT**, subject to and conditional on the passing of Resolution 5 in the notice convening a meeting to be held on 6th April 2016, every 250 Subdivided Shares be consolidated into one ordinary share of £0.01 (the "**New Ordinary Shares**").
7. **THAT** the directors be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 ("**the Act**"), in substitution for all previous powers granted to them, to exercise all the powers of the Company to allot and make offers to allot relevant securities (within the meaning of the Act) up to an aggregate nominal amount of £544,569.44, and such authority shall, unless previously revoked or varied by the Company in general meeting, expire on the conclusion of the Annual General Meeting of the Company to be held in 2017 provided that the Company may, at any time before such expiry, make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

8. **THAT** the directors be and they are hereby empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 7 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with an issue in favour of shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (or as nearly as may be practicable) to the respective number of Ordinary Shares in the capital of the Company held by them on the record date for such allotment, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange, in any territory;
 - (b) the allotment of equity securities arising from the exercise of options and warrants or the conversion of any other convertible securities outstanding at the date of this resolution; and
 - (c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of further equity securities up to an aggregate nominal amount of £272,284.72;

and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the conclusion of the Annual General Meeting of the Company to be held in 2017. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

9. **THAT**, subject to and conditional on the passing of Resolution 5 and Resolution 6 in the notice convening an annual general meeting to be held on 6th April 2016, the articles of association of the Company be amended pursuant to section 21 of the Companies Act 2006 by:

(a) The deletion of the current definition of "Ordinary Shares" in Article 1.2 which provides as follows:

"the Ordinary Shares" means ordinary shares of £0.001 each in the capital of the Company"

(b) The insertion of new definitions into Article 1.2 as follows:

"the Deferred Shares" means the deferred shares of £0.00004 each in the capital of the Company having the rights set out in Article 43"

"the Ordinary Shares" means ordinary shares of £0.01 each in the capital of the Company"

(c) The deletion of Article 42 in its entirety.

(d) The insertion of a new Article 43, as follows:

"43. DEFERRED SHARES

Any Deferred Shares in issue shall only have the following rights and shall be subject to the following restrictions, notwithstanding any other provisions in these Articles:

43.1 On the return of capital on a winding up of the Company, after the liabilities of the Company have been paid and after the holders of Ordinary Shares have received the sum of £10,000,000 for each Ordinary Share held by them, the balance shall be distributed amongst the holders of the Deferred Shares pro rata to the number of Deferred Shares held by each of them, respectively. Save as set out in this Article 43, the holders of the Deferred Shares shall have no interest or right to participate in the capital or assets of the Company;

43.2 The Deferred Shares shall not carry any entitlement to receive dividends or to participate in any way in the income or profits of the Company;

43.3 Save as set out in Article 43, the Deferred Shares shall carry no right to participate in the profits or assets of the Company;

43.4 The Company may acquire, subject to the Statutes, all or any of the Deferred Shares in issue at any time without payment of any consideration to the holder of the Deferred Share. Pending such acquisition, each holder of the Deferred Share shall be deemed to have irrevocably authorised the Company, at any time:

- (a) to appoint any person to execute (on behalf of the holder of the Deferred Share) a transfer thereof and/or an agreement to transfer the same to the Company or to such person as the Company may determine as custodian thereof; and
- (b) pending such transfer, to retain such holder's certificate (if any) for the Deferred Shares;

43.5 Other than as specified in this Article 43, the Deferred Shares shall not be capable of transfer at any time other than with the prior consent of each of the Directors, nor shall the holders of them be entitled to mortgage, pledge, charge or otherwise encumber them or to create or dispose of or to agree to create or dispose of any interest (within the meaning of section 820 of the 2006 Act) whatsoever in any Deferred Share;

- 43.6 The Company is irrevocably authorised to appoint any person on behalf of any holder of any Deferred Share(s) to enter into an agreement to transfer and to execute a transfer of any such Deferred Share(s) to such person as the Directors may determine in their absolute discretion and to execute any other documents which such person may consider necessary or desirable to effect such transfer (and pending such transfer, to retain such holder's certificate (if any) for such Deferred Share(s)) or to give instructions to transfer any such Deferred Share(s) held in uncertificated form to such person as the Directors may determine in their absolute discretion, in each case, without obtaining the sanction of the holder of them and without any payment being made in respect of that transfer;
- 43.7 The Deferred Shares shall not confer on the holders thereof any entitlement to receive notice of or to attend or speak at or vote at any general meeting or any annual general meeting of the Company; and
- 43.8 The rights attaching to the Deferred Shares shall not be deemed to be varied or abrogated by the creation and/or allotment and/or issue of any further shares, the passing of any resolution of the Company reducing its share capital or cancelling the Deferred Shares and none of the rights or restrictions attached to the Deferred Shares shall be deemed to be varied or abrogated in any way by the passing or coming into effect of any special resolution of the Company to reduce its share capital and/or reduce or cancel (as the case may be) its share premium account (including a special resolution to reduce the capital paid up or to cancel such Deferred Shares), provided that upon a cancellation of all the Deferred Shares the Articles shall automatically be amended by the deletion of the definition of "Deferred Shares" in Article 1.2 and this Article 43 in its entirety."

BY ORDER OF THE BOARD

Andrew Smith

Company Secretary

14 March 2016

Registered office:

One America Square

Crosswall

London EC3N 2SG

Notes:

Retirement by Rotation – Article 25.3 of the Company's Articles of Association requires that one third of the directors of the Company who have held office since the last Annual General Meeting, must retire by rotation. The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election. The number of directors to retire by rotation this year shall be one. Peter Blakey retires in accordance with Article 25.3 and having not offered himself for re-election such retirement will be effective from the conclusion of the Annual General Meeting.

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by hand, or sent by post to FREEPOST CAPITA PXS, so as to be received not less than 48 hours before the time fixed for the holding of the meeting (excluding any part of a day which is not a working day) or any adjournment thereof (as the case may be).
2. Any member entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised officer of the corporation.
5. The completion and return of a form of proxy will not preclude a member from attending in person at the meeting and voting should he wish to do so.
6. The Company has specified that only those members entered on the register of members at 6.00 pm on 4th April 2016 shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares of £0.001 each in the capital of the Company ("Existing Ordinary Shares") held in their name at that time. Changes to the register after 6.00 pm on 4th April 2016 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. To direct your proxy how to vote on the resolution mark the appropriate box with an "X". To abstain from voting on the resolution, select the relevant "withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
8. As at the date of this Notice of AGM the Company's issued share capital consists of 6,807,118,052 Ordinary Shares of £0.001 each and which each carry one vote.