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This document has been drawn up in accordance with the AIM Rules and has been issued in connection with the application for the admission of the entire issued ordinary share capital of New Kryso to trading on AIM. This document is not an approved prospectus for the purposes of the Financial Services and Markets Act 2000 and the Prospectus Rules of the Financial Conduct Authority. This document does not constitute an offer or invitation to purchase any securities. This document has not been examined or approved by the Cayman Islands Monetary Authority.

New Kryso and its Directors (details of whom appear on page 4 of this document) accept responsibility, individually and collectively, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of New Kryso and 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. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading.

**Application will be made for the whole of the ordinary share capital of New Kryso to be admitted to trading on AIM, a market operated and regulated by the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.**

**Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.**

**The London Stock Exchange has not itself examined or approved the contents of this document.**

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## **Kryso Resources Corporation Limited**

*(incorporated in the Cayman Islands under the Companies Law of the Cayman Islands, as amended  
and with registered number WK - 277188)*

### **Appendix to AIM Schedule One Announcement**

#### **Further information on Kryso Resources Corporation Limited in connection with its proposed admission to AIM**

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It is expected that Admission will become effective and dealings for normal settlement in New Kryso Ordinary Shares will commence on 31 July 2013. All New Kryso Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all the dividends and other distributions declared, paid or made in respect of New Kryso Ordinary Shares after Admission.

The whole of this document should be read. An investment in New Kryso involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this document. Investors should consider carefully the risk factors which are set out in Part 2 of this document. All statements regarding New Kryso's business should be viewed in light of these risk factors. This document is the appendix to the Schedule One announcement and has been prepared in accordance with Schedule One and the Supplement to Schedule One of the AIM Rules. It includes, *inter alia*, all information that would otherwise have had to be included in an AIM admission document and which is not currently public, that is, which is not available at an address in the UK or at a website address accessible to users in the UK (collectively, the **Public Record**). The Public Record can be accessed freely on the website of the London Stock Exchange ([www.londonstockexchange.com](http://www.londonstockexchange.com)) and on New Kryso's website ([www.kryso.com](http://www.kryso.com)) where this document, which is dated 24 June 2013, will be available. This document should be read in conjunction with the form of announcement to be made by New Kryso at least 20 Business Days prior to Admission (the **Announcement Form**) and the Public Record. This document and the Announcement Form together constitute the **Announcement**.

**Investec Bank plc (Investec), which is authorised by the PRA and regulated by the FCA and the PRA, is acting as nominated adviser and broker for New Kryso in relation to the Admission and is not acting for and will not be responsible to any other person other than New Kryso for providing the protections afforded to its customers or for advising any other person on the contents of this document or any transaction or arrangement referred to in this document. Investec's responsibilities as the nominated adviser and broker to New Kryso under the AIM Rules are solely owed to the London Stock Exchange. No representation or warranty, express or implied, is made by Investec as to any of the contents of this document. Investec has not authorised the contents of, or any part of, this document and (without limiting the statutory rights of any person to whom this document is issued) no liability whatsoever is accepted by Investec for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which New Kryso and its Directors are solely responsible.**

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**THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR EXCHANGE OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY OR EXCHANGE ANY SECURITY OR TO BECOME A MEMBER OF NEW KRYSO. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.**

Securities may not be offered or sold in the United States unless they are registered under the US Securities Act or are exempt from such registration. The New Kryso Ordinary Shares have not been and will not be registered under the US Securities Act and such securities will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) thereof. The New Kryso Ordinary Shares to be issued pursuant to the Scheme have not been approved or disapproved by the SEC or the securities regulatory authority of any state of the United States, nor has the SEC or any securities regulatory authority of any state of the United States passed on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

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## DIRECTORS, SECRETARY AND ADVISERS

| <b>Role</b>   | <b>Party</b>   |
|---|--|
| <b>Directors</b>  | Luo Tao ( <i>Non-Executive Chairman</i> )<br>Craig William Brown ( <i>Managing Director</i> )<br>Leonard Lee (Li Li) ( <i>Finance Director</i> )<br>David (Weili) Tang ( <i>Non-Executive Director</i> )<br>Abuali Ismatov ( <i>Non-Executive Director</i> ) |
| <b>Registered Office</b>  | c/o Intertrust Corporate Services (Cayman) Limited<br>190 Elgin Avenue<br>George Town<br>Grand Cayman KY1-9005<br>Cayman Islands   |
| <b>Nominated Adviser and Broker to New Kryso</b>                        | Investec Bank plc<br>2 Gresham Street<br>London<br>EC2V 7QP  |
| <b>Cayman Legal Advisers to New Kryso</b>                               | Walkers Global<br>190 Elgin Avenue<br>George Town<br>Grand Cayman KY1-9005<br>Cayman Islands   |
| <b>UK Legal Advisers to New Kryso</b>                                   | Speechly Bircham LLP<br>6 New Street Square<br>London<br>United Kingdom<br>EC4A 3LX  |
| <b>Auditors to New Kryso</b>  | Littlejohn LLP<br>1 Westferry Circus<br>Canary Wharf<br>London<br>E14 4HD  |
| <b>Registrars to New Kryso<br/>(prior to Admission)</b>                 | Neville Registrars<br>Neville House<br>18 Laurel Lane<br>Halesowen<br>West Midlands<br>B63 3DA   |
| <b>Depositary and Registrars to New Kryso<br/>(following Admission)</b> | Computershare Investor Services Plc<br>The Pavilions<br>Bridgwater Road<br>Bristol<br>BS13 8AE   |

## OVERVIEW

|   |                      |
|---|----------------------|
| <b>Expected number of New Kryso Ordinary Shares in issue at Admission</b> | 381,292,291          |
| <b>AIM symbol</b>   | KYS                  |
| <b>ISIN number for the New Kryso Ordinary Shares</b>                      | KYG532181065         |
| <b>Legislation under which New Kryso Ordinary Shares are issued</b>       | Cayman Companies Law |

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS<sup>1</sup>

|   |                                      |
|---|--------------------------------------|
| <b>Publication of this document</b>   | 24 June 2013                         |
| <b>Admission and dealings in New Kryso Ordinary Shares to commence on AIM</b>                     | 8.00 a.m. on Wednesday, 31 July 2013 |
| <b>CREST accounts credited (where applicable)</b>   | Wednesday, 31 July 2013              |
| <b>Expected date of despatch of certificates for New Kryso Ordinary Shares (where applicable)</b> | By 9 August 2013                     |

<sup>1</sup> All references to times in this timetable are to London time. Each of the times and dates are indicative only and may be subject to change. If the scheduled dates for the hearings at Court (which are required to effect the Scheme) change, Existing Kryso will give notice of the changes by issuing an announcement through an RIS.

## DEFINITIONS

|                                     |  |
|-------------------------------------|--|
| <b>15MCC</b>                        | China No.15 Metallurgical Construction Group Co., Ltd;   |
| <b>Admission</b>                    | admission of the New Kryso Ordinary Shares to trading on AIM in accordance with the AIM Rules;   |
| <b>A Ordinary Share</b>             | the non-voting A ordinary share of £0.01 in the capital of Existing Kryso, issued and allotted pursuant to the special resolution passed at the General Meeting;                                       |
| <b>AIM</b>                          | AIM, the market of that name operated by the London Stock Exchange;  |
| <b>AIM Rules</b>                    | the 'AIM Rules for Companies' published by the London Stock Exchange;  |
| <b>the Board or the Directors</b>   | the directors of Existing Kryso as at the date of this document, or the directors of New Kryso as at the date of this document (where the context requires);   |
| <b>Business Day</b>                 | a day (excluding Saturday or Sunday) on which banks generally are open for business in the City of London for the transaction of normal banking business;  |
| <b>Cayman Companies Law</b>         | the Companies Law of the Cayman Islands, as amended from time to time;   |
| <b>Certificated</b>                 | in relation to a share or other security, which is not in Uncertificated form (that is, not in CREST);   |
| <b>China</b>                        | the People's Republic of China;  |
| <b>Circular or Scheme Circular</b>  | the circular sent to Existing Kryso Ordinary Shareholders dated 8 May 2013;  |
| <b>City Code</b>                    | the Takeover Panel's City Code on Takeovers and Mergers, as amended from time to time;   |
| <b>CNMIM</b>                        | China Nonferrous Metals Int'l Mining Co., Ltd.;  |
| <b>CNMIM Loan Agreement</b>         | the shareholder loan agreement entered into between Existing Kryso and CNMIM on 24 May 2012;   |
| <b>CNMIM Subscription Agreement</b> | the subscription agreement relating to Existing Kryso entered into between Existing Kryso and CNMIM on 27 July 2010;   |
| <b>Companies Act</b>                | the UK Companies Act 2006, in force from time to time;   |
| <b>Court or High Court</b>          | the High Court of Justice of England and Wales;  |
| <b>Court Hearing</b>                | the hearing by the Court of the application to sanction the Scheme and to confirm the Reduction of Capital;  |
| <b>Court Meeting</b>                | the meeting convened by the Court of the Existing Kryso Ordinary Shareholders;   |
| <b>Court Order</b>                  | the order of the Court sanctioning the Scheme under section 899 of the Companies Act and confirming the Reduction of Capital under section 648 of the Companies Act;                                   |
| <b>CREST</b>                        | the computerised system for the paperless settlement of sales and purchases of securities and the holding of Uncertificated securities operated by Euroclear in accordance with the CREST Regulations; |
| <b>CREST Manual</b>                 | the CREST manual referred to in agreements entered into by Euroclear;  |

|  |   |
|--|---|
| <b>CREST Regulations</b>                   | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;  |
| <b>Depository</b>                          | Computershare Investor Services PLC;  |
| <b>Depository Interests</b>                | uncertificated depository interests issued by the Depository and representing New Kryso Ordinary Shares;  |
| <b>Disclosure and Transparency Rules</b>   | the disclosure rules and transparency rules relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made, as published by the FCA;  |
| <b>Euroclear</b>                           | Euroclear UK & Ireland Limited (formerly known as CRESTco Limited), the operator of CREST;  |
| <b>Effective</b>                           | the Scheme having become effective in accordance with its terms, expected to occur on 30 July 2013;   |
| <b>Existing Kryso</b>                      | Kryso Resources Plc, a public limited company incorporated in England and Wales with registered number 05190505;  |
| <b>Existing Kryso Articles</b>             | the articles of association of Existing Kryso;  |
| <b>Existing Kryso Ordinary Shareholder</b> | a holder of Existing Kryso Ordinary Shares;   |
| <b>Existing Kryso Ordinary Shares</b>      | the ordinary shares of £0.01 each in the capital of Existing Kryso, which excludes the A Ordinary Share;  |
| <b>Explanatory Statement</b>               | Part 2 of the Circular, which has been prepared in accordance with section 897 of the Companies Act;  |
| <b>FCA</b>                                 | the Financial Conduct Authority of the United Kingdom;  |
| <b>Form(s) of Proxy</b>                    | the blue and white form(s) of proxy sent to Existing Kryso Ordinary Shareholders for use in connection with the Court Meeting and the General Meeting, respectively, which accompanied the Circular;  |
| <b>FSMA</b>                                | the Financial Services and Markets Act 2000, as amended from time to time;  |
| <b>General Meeting</b>                     | the general meeting of Existing Kryso held on 24 May 2013 at 11.15 a.m. to approve the Resolution, notice of which was set out in Part 9 ( <i>Notice of General Meeting</i> ) of the Circular;  |
| <b>HK Listing</b>                          | the proposed listing of New Kryso on the HKSE as referred to in this document;  |
| <b>HKSE</b>                                | the Stock Exchange of Hong Kong Limited;  |
| <b>HMRC</b>                                | HM Revenue & Customs;   |
| <b>Investec</b>                            | Investec Bank plc;  |
| <b>JORC Code</b>                           | the Joint Ore Reserves Committee Code, as amended from time to time;  |
| <b>KRL</b>                                 | Kryso Resources Limited, a private company incorporated and registered in the Territory of the British Virgin Islands with registered number 549304 and whose registered office is at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands, which is a direct wholly-owned subsidiary of Existing Kryso; |
| <b>Kryso Group</b>                         | before the Scheme, Existing Kryso and its subsidiaries and subsidiary undertakings, and after the Scheme, New Kryso and its subsidiaries and subsidiary undertakings;   |
| <b>LLC Pakrut</b>                          | Limited Liability Company Pakrut, a company incorporated and registered in Tajikistan with company number 01-372 "A" and whose registered address is at 4 Bofunda Street, Dushanbe, Republic of Tajikistan, which is an indirect wholly-owned   |

|                                       |   |
|---------------------------------------|---|
|                                       | subsidiary of Existing Kryso;   |
| <b>London Stock Exchange</b>          | London Stock Exchange plc (or any successor body thereto);  |
| <b>New Kryso</b>                      | Kryso Resources Corporation Limited, an exempted company limited by shares incorporated in the Cayman Islands with company number WK-277188;  |
| <b>New Kryso Articles</b>             | the memorandum and articles of association of New Kryso;  |
| <b>New Kryso Ordinary Shareholder</b> | a holder of New Kryso Ordinary Shares;  |
| <b>New Kryso Ordinary Shares</b>      | the ordinary shares of \$0.0001 each in the capital of New Kryso;   |
| <b>New Shares</b>                     | the ordinary shares of £0.01 each in the capital of Existing Kryso to be issued to New Kryso;   |
| <b>Offering</b>                       | the proposed associated fundraising with the HK Listing, as referred to in the Circular;  |
| <b>Overseas Shareholder</b>           | Shareholders resident in, or citizens or nationals of, jurisdictions outside the United Kingdom;  |
| <b>Pakrut Gold Project</b>            | the Pakrut gold mine project located in the territory of Tajikistan and within the southern portion of the Tien-Shan gold belt;   |
| <b>pence, £ or sterling</b>           | the lawful currency of the United Kingdom;  |
| <b>PRA</b>                            | the Prudential Regulation Authority of the United Kingdom;  |
| <b>Proposals</b>                      | collectively, the Scheme, the Reduction of Capital and the other proposals set out in the Circular;   |
| <b>Public Record</b>                  | has the meaning given to it on page 1 of this document;   |
| <b>Reduction of Capital</b>           | the proposed reduction of capital of Existing Kryso under section 645 of the Companies Act in connection with the Scheme;   |
| <b>Registrar of Companies</b>         | the Registrar of Companies in England and Wales;  |
| <b>Registrars</b>                     | Neville Registrars Limited;   |
| <b>Resolution</b>                     | the special resolution which is set out in Part 9 ( <i>Notice of General Meeting</i> ) of the Circular and which was passed at the General Meeting in connection with, amongst other things, the implementation of the Scheme, confirmation of the Reduction of Capital and certain amendments to be made to the Existing Kryso Articles; |
| <b>RIS</b>                            | Regulated Information Service (i.e. an information service that is approved by the FCA as meeting the Criteria for Regulated Information Services and that is on the FCA's list of Regulated Information Services);   |
| <b>Scheme</b>                         | the scheme of arrangement of Existing Kryso as set out in Part 6 ( <i>Scheme of Arrangement</i> ) of the Circular and with or subject to any modification, addition or condition approved or imposed by the Court;  |
| <b>Scheme Effective Date</b>          | the date on which the Scheme becomes effective, expected to be 30 July 2013;  |
| <b>Scheme Record Date</b>             | the date prior to the date of the Court Hearing;  |
| <b>Scheme Record Time</b>             | 6.00 p.m. (London time) on the Scheme Record Date;  |
| <b>Scheme Shareholder</b>             | a holder of Scheme Shares as appearing in the register of members of Existing Kryso at the Scheme Record Time;  |
| <b>Scheme Shares</b>                  | means Existing Kryso Ordinary Shares: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme;</li> <li>(b) (if any) issued after the date of the Scheme and prior to</li> </ul>  |

|   |  |
|---|--|
|   | the Scheme Voting Record Time; and   |
|   | (c) (if any) issued at or after the Scheme Voting Record Time and on or before the Scheme Record Time in respect of which the original, or any subsequent, holders shall be bound by the Scheme or in respect of which the original, or any subsequent, holders shall have agreed in writing to be so bound, |
|   | but excludes the A Ordinary Share;   |
| <b>SEC</b>                                  | the US Securities and Exchange Commission;   |
| <b>Securities Act</b>                       | the US Securities Act of 1933, as amended from time to time;   |
| <b>Shareholders</b>                         | holders of shares in Existing Kryso or New Kryso, as the context may require;  |
| <b>Share Option Agreements</b>              | agreements pursuant to which Existing Kryso has granted unapproved share options to certain individuals, details of which are set out in paragraph 13 of Part 4 ( <i>Additional Information</i> ) of the Circular;   |
| <b>Share Options</b>                        | (i) the share options issued pursuant to the Unapproved Share Option Scheme and (ii) the share options issued pursuant to the Share Option Agreements;   |
| <b>Statement of Capital</b>                 | the statement of capital approved by the High Court and showing with respect to Existing Kryso's share capital, as altered by the Court Order, the information required by section 649 of the Companies Act;   |
| <b>subsidiary or subsidiary undertaking</b> | has the meaning given in the Companies Act;  |
| <b>Tajikistan</b>                           | the Republic of Tajikistan;  |
| <b>Takeover Panel</b>                       | the Panel on Takeovers and Mergers;  |
| <b>UK or United Kingdom</b>                 | the United Kingdom of Great Britain and Northern Ireland;  |
| <b>Unapproved Share Option Scheme</b>       | the unapproved share option scheme of Existing Kryso established by the Rules of an Unapproved Share Option Scheme dated 24 November 2004, as amended from time to time;   |
| <b>Uncertificated</b>                       | in relation to a share or other security, a share or other security title to which is recorded on the relevant register of the share or security concerned 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;       |
| <b>US or United States or USA</b>           | the United States of America, its territories and possessions, any state in the United States of America;  |
| <b>US Exchange Act</b>                      | the US Securities Exchange Act of 1934, as amended from time to time;  |
| <b>US Securities Act</b>                    | the US Securities Act of 1933, as amended from time to time;   |
| <b>US Shareholders</b>                      | Existing Kryso Ordinary Shareholders with registered addresses in the United States, its territories and possessions;  |
| <b>US\$, \$ or US dollars</b>               | United States dollars, the lawful currency of the United States; and   |
| <b>Voting Record Time</b>                   | 6.00 p.m. (London time) on 22 May 2013.  |

## PART 1

### INFORMATION ON NEW KRYSO

#### 1. Introduction

New Kryso was incorporated in the Cayman Islands as an exempted company limited by shares on 24 April 2013. New Kryso is the proposed new parent company of Existing Kryso, a company incorporated in England and Wales and listed on AIM since 2 December 2004. Under the Scheme it is proposed that, on the Scheme Effective Date, New Kryso will become the new parent company of Existing Kryso and the ultimate holding company of the Kryso Group. New Kryso will be, as is the case with Existing Kryso, a company whose principal activities are the exploration and development of minerals, with a particular focus on Tajikistan. Following the Scheme Effective Date, Existing Kryso will be re-registered as a private limited company and re-named “Kryso Resources Limited”.

#### 2. Business of the Kryso Group

Existing Kryso is a mineral exploration and development company, focused on projects in Tajikistan.

The Pakrut Gold Project is based in the Tien-Shan gold belt, which extends from Uzbekistan into Tajikistan, Kyrgyzstan and western China, and hosts a number of multi-million ounce gold deposits. The Kryso Group has had an interest in the Pakrut Gold Project since April 2004, when LLC Pakrut was granted an exploration and trial mining licence over an area extending over 6,300 hectares (the **Pakrut Licence Area**). The exploration and trial mining licence is valid until 1 April 2014, and is renewable.

In January 2012, LLC Pakrut was granted a full mining licence for the Pakrut Gold Project by the Government of the Republic of Tajikistan. This mining licence, known as the Pakrut Mining Licence, is valid until November 2030. The Kryso Group’s main aim is to bring the Pakrut Gold Project into production at the earliest opportunity.

#### 3. Background and Reasons for Admission

The principal reasons for wishing to put in place a new parent company incorporated in the Cayman Islands for the Kryso Group are:

- (i) to reflect that the holders of the majority of the Existing Kryso Ordinary Shares, who are based in China, are more familiar with Cayman holding structures;
- (ii) to facilitate M&A activity, in particular of non-UK corporate entities; and
- (iii) in preparation for a potential future listing on an alternative stock exchange and associated fundraising.

The last of these reasons is particularly important, as it is anticipated that New Kryso (once inserted as a holding company of Existing Kryso) will, in due course, seek to de-list from AIM and list on the Main Board of the HKSE (the **HK Listing**). The expectation is that the HK Listing will occur at the same time as an offering of New Kryso Ordinary Shares to new investors (the **Offering**). The Directors believe that the adoption of a new holding company would facilitate the HK Listing and the Offering, and that the HKSE would represent an attractive platform for the continued growth of the Kryso Group, given its strong Chinese ties and future outlook.

Subject to the AIM Rules and any other applicable regulatory requirements, New Kryso will keep New Kryso Ordinary Shareholders updated as soon as practicable on the progress of the proposed HK Listing and the Offering, including the submission of its application to the Hong Kong regulatory authorities

(including the HKSE). Under the AIM Rules, de-listing from AIM would be subject to the approval of not less than 75% of votes cast by shareholders in a general meeting in due course.

#### **4. Directors of New Kryso**

The Directors of New Kryso are:

**Luo Tao** (aged 60), *Non-Executive Chairman*

Luo Tao is the Chairman of CNMIM. He is a senior economist with over 30 years' experience in the nonferrous metals industry in China. He was a Vice Director of Beijing General Research Institute for Nonferrous Metals. He was also the Chairman of the Committee of Supervisors and Vice President of Aluminium Corporation of China Ltd., a company listed on the New York Stock Exchange and HKSE. He is currently the President of China Nonferrous Metals Mining (Group) Corp.

**Craig Brown** (aged 42), *Managing Director*

Craig Brown qualified as a Chartered Accountant in New Zealand in 1993. He has spent 18 years working in the mining industry in Central Asia. Prior to working in Central Asia, Craig was a Chartered Accountant working in private practice in New Zealand. Craig worked for Nelson Resources Limited, from 1995 to 2001 in various positions ranging from Chief Accountant to Director of the Joint Venture Company that operated the Zeravshan gold mine. From 2001 to 2003 he was Chief Financial Officer for Gulf International Minerals Inc. and from 2003 to 2004 he worked part-time as a consultant to that company. He has been a director of several mining joint ventures in Central Asia.

**Leonard Lee (Li Li)** (aged 47), *Finance Director*

Leonard Lee has an MBA from the University of Rochester in New York and is fluent in Mandarin and English. He has successfully set up businesses in Canada and China, and provided consultancy services to companies such as BASF and DZ BANK. Leonard is a representative of Golden Max Group Limited, which is Existing Kryso's second largest shareholder.

**David (Weili) Tang** (aged 47), *Non-Executive Director*

David Tang is President of CNMIM. He graduated with a Bachelor of Science degree (1988) majoring in computer science from Central-South University, China and also holds a Master of Science degree (1991). In the early 1990s he pioneered the trading system for the first nonferrous metals future commodity exchange in China. He worked for several years in Canada in the investment management and consulting industry before returning to China to take up office at CNMIM.

**Abuali Ismatov** (aged 53), *Non-Executive Director*

Abuali Ismatov is a Tajik businessman. He graduated in 1981 from the Tajik Agricultural Institute with a Diploma in Hydro Engineering and in 2001 obtained a Masters Degree in Finance and Economics from the Tajik State National University. Since 1992, Abuali has been a founder and shareholder of several multi-national companies established in Tajikistan with foreign investment.

Further information concerning the terms of appointment of each of the Directors of New Kryso are set out in Part 3 of this document.

#### **5. Historical Financial Information**

The Kryso Group's (excluding New Kryso) audited financial statements and annual reports for the three years ending 31 December 2012, 31 December 2011 and 31 December 2010 are available on the Kryso Group's website at [www.kryso.com](http://www.kryso.com).

Since the date of New Kryso's incorporation, New Kryso has not commenced operations and it has no material assets or liabilities. Therefore, no financial statements have been provided in relation to New Kryso as at the date of this document.

## **6. The Scheme and Admission**

New Kryso will become the ultimate parent company of the Kryso Group by way of a scheme of arrangement pursuant to sections 895 to 899 of the Companies Act. The key features of the Scheme are set out below.

### **Shares**

Under the Scheme:

- all Existing Kryso Ordinary Shares (other than the A Ordinary Share held by New Kryso) will be cancelled;
- the resulting reserve in Existing Kryso will be capitalised by the issue by Existing Kryso of the fully-paid New Shares to New Kryso so that New Kryso will own all the issued shares in Existing Kryso; and
- Existing Kryso Ordinary Shareholders (other than New Kryso) at the Scheme Record Time will receive one New Kryso Ordinary Share for each Existing Kryso Ordinary Share cancelled under the Scheme.

Following the Scheme Effective Date, Existing Kryso will be re-registered as a private limited company and re-named "Kryso Resources Limited".

### **Admission**

Application will be made to the London Stock Exchange for the New Kryso Ordinary Shares to be admitted to trading on AIM and dealings are expected to commence on 31 July 2013. The admission of Existing Kryso Ordinary Shares is also expected to be cancelled on that date. Following the Scheme Record Time and pending cancellation of Existing Kryso's shares from trading on AIM, the Existing Kryso Ordinary Shares will be suspended from trading on AIM.

### **Court Meeting and General Meeting**

The Court Meeting took place at 11.00 a.m. on 24 May 2013 pursuant to an order of the High Court. At the Court Meeting, the Existing Kryso Ordinary Shareholders approved the Scheme by the statutory majority required.

The General Meeting took place at 11.15 a.m. on 24 May 2013. At the General Meeting, Existing Kryso Ordinary Shareholders passed the Resolution as a special resolution.

## **7. Dividend Policy**

The Directors of Existing Kryso did not declare a dividend for the financial year ended 31 December 2012. The declaration and payment by New Kryso of any dividends in the future and the amount thereof will depend on the results of the Kryso Group's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time.

## **8. Independent Technical Report**

An Independent Technical Report, produced by SRK Consulting China Limited in relation to the Pakrut Gold Project and dated June 2013 is available on the Kryso Group's website, which is [www.kryso.com](http://www.kryso.com).

## PART 2

### RISK FACTORS

The risk factors which should be taken into account in assessing the Kryso Group's activities and an investment in New Kryso include, but are not necessarily limited to, those set out below. Any one or more of these risks could have a material and adverse effect on the value of any investments in New Kryso and the business, financial position or operating results of the Kryso Group and should be taken into account when assessing the Kryso Group's activities. The risks noted below do not necessarily comprise all those faced by the Kryso Group and are not intended to be presented in any assumed order of priority. It should be noted that this list is not exhaustive and that other risk factors may apply.

#### RISKS THAT RELATE TO THE CHANGE OF DOMICILE

Following the Scheme becoming Effective, Existing Kryso Ordinary Shareholders will hold shares in New Kryso, a Cayman Islands company, rather than Existing Kryso, an English company. Although Cayman Islands law and regulation is similar to that in England, there are significant differences. A summary of the Cayman Companies Law and consequent implications of New Kryso being a Cayman Islands incorporated company can be found at paragraph 10 of Part 4 of the Scheme Circular.

#### RISKS RELATING TO THE BUSINESS

The Kryso Group is at an early-stage of development and has no completed operations. The Kryso Group may not develop its business as planned or at all.

New Kryso was incorporated on 24 April 2013 and currently has no gold producing operations and, as such, any investment in New Kryso is highly speculative in nature. Although Existing Kryso was incorporated in 2004 and has, via its wholly owned subsidiary LLC Pakrut, been operating the Pakrut Gold Project since April 2004, it has no producing history upon which an evaluation of its future success or failure can be made.

#### **New Kryso's plans may not be capable of fulfilment and may require additional financing.**

While members of New Kryso's Board of Directors and its senior management have experience in mining projects, this is no guarantee that the Pakrut Gold Project can be successfully brought to full production. New Kryso will therefore be subject to all the risks inherent in the establishment of a new mining and infrastructure project.

The Kryso Group will require additional financing to bring the Pakrut Gold Project to commercial first production. The Kryso Group may not be able to obtain such financing to implement and complete its future strategies on commercially viable terms, or at all. Continued disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect the Kryso Group's access to liquidity. Failure to obtain additional financing to meet the capital costs of the Pakrut Gold Project and to satisfy the Kryso Group's operating, development and expansion plans will materially and adversely affect the Kryso Group's ability to continue with the development of its projects and its business and results of operations.

The development to production of the Pakrut Gold Project requires substantial capital investment. The Kryso Group will require additional funding in the form of debt or further equity to meet its capital expenditure needs. Such capital expenditure will be required to develop the Kryso Group's projects, to place them in commercial production and to expand the Kryso Group's business.

Any debt financing could make the Kryso Group more vulnerable to changing exchange rates, interest rates, competitive pressure and economic downturns in the Kryso Group's industry or the economy, in

general. It will also require the Kryso Group to use a portion of its cash from operations for the repayment of existing and future debt, which will reduce the cash that would otherwise be available for the Kryso Group's working capital needs, capital expenditures, acquisitions and other general requirements and reduce the Kryso Group's flexibility to respond to changing business, regulatory and economic conditions.

**The Kryso Group may fail to acquire, or renew required licences and approvals.**

Although the Kryso Group has been granted the current licences and approvals required in Tajikistan to operate the Pakrut Gold Project, its continued ability to hold such licences and approvals may be dependent on factors beyond its control (including the consent of relevant Government ministers and agencies) or on conditions which are not feasible, practical or even desirable for the Kryso Group to fulfil. In addition, new licence requirements may be imposed upon the Kryso Group.

Various factors may influence the timing of the renewal or grant of the licences, permits, authorisations and approvals required for the Kryso Group's operations, including without limitation the following: (i) many of the relevant approvals are not subject to any time limits within the relevant government department or time limits set out in legislation may be ignored; (ii) it is possible that adverse decisions can be made by Ministers for purely political reasons; and (iii) rights of appeal may exist in favour of third parties, which can add delay to the project timetable. Accordingly, these may not be granted in a timely manner, or at all. Failure to obtain or renew necessary licences, permits, authorisations and approvals may prevent the Kryso Group from being able to develop its projects or may result in significant expenses or delays.

Although the Directors are currently of the opinion that the Kryso Group can meet the current terms and conditions set out in the Kryso Group's licences and mining plan, any renewed or future new licences, permits, authorisations and approvals may also be granted subject to conditions which may impose material restrictions on the Kryso Group's ability to carry out the relevant project as planned or which require certain expenditures or activities in order to retain such licences.

**Contractors may not honour their contracts.**

If any of the contracts entered into by the Kryso Group are not honoured by third parties (including contractors and other commercial partners), or any of their conditions are not complied with, the Kryso Group may incur losses and/or face delays in executing its plans.

The Kryso Group has contracted with 15MCC to carry out mine construction works at the Pakrut Gold Project. In the event that 15MCC is unable to adhere to agreed timetables and milestones, whether such failures are due to the fault of 15MCC or outside of 15MCC's control, the Kryso Group may have to spend additional capital and resources on constructing the mine, which may include having to source further contractors (even if the Kryso Group is able to receive compensation from 15MCC). In addition, if 15MCC sub-contracts out aspects of the mine construction works and such sub-contractors fail to produce their required goods and services to required standards and/or in a timely manner, the construction of the mine may be materially delayed.

The Kryso Group's contractors and sub-contractors may have economic or other interests or goals that are inconsistent with the Kryso Group's interests or goals or may be unable or unwilling to fulfil their obligations or comply with the Kryso Group's instructions or requests. Their performance may be constrained by labour disputes or actions, shortages in the supply of plant capacity, equipment, facilities, services, materials or supplies or damage to or failure of plants, equipment and machinery. In the event of such problems, the Kryso Group may not be able to find a suitable replacement contractor within a reasonable time, or at all, and the Kryso Group's business and results of operations would be materially and adversely affected. The Kryso Group may not be able to control the quality, safety and environmental standards of the work done by third-party contractors to the same extent as when the work is performed by the Kryso Group's own employees.

**Dividends may not be paid.**

Section 34 of the Cayman Companies Law permits, subject to a solvency test and the provisions, if any, of a company's articles of association, the payment of dividends and distributions out of the share premium account. Although (with the exception of section 34) there are no statutory provisions relating to the payment of dividends for a company incorporated in the Cayman Islands, English case law, which is regarded as persuasive in the Cayman Islands, states that dividends may be paid only out of profits. Given the capital required to bring the Pakrut Gold Project to first commercial production, it is not expected that New Kryso will be in profit for the foreseeable future. In any case, until New Kryso has sufficient cash reserves generated from its operations, it will not be in a position to pay dividends whether or not it is in profit.

**The Pakrut Gold Project may produce less gold than expected.**

The Pakrut Gold Project may produce less gold than indicated by the Kryso Group's resource estimates and such gold may not ultimately be extracted at a profit. The Kryso Group has prepared resource estimates for the Pakrut Gold Project in accordance with the JORC Code, but these estimates are based on various assumptions, including geological conditions and historical production from the area. Actual factors may, however, vary considerably from these assumptions. Such resource estimates are, therefore, by their nature, imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate.

The Kryso Group's estimates may prove to be materially inaccurate, or the Kryso Group's resources may not ultimately be extracted at a profit. The grade of ore ultimately mined may also differ from that indicated by drilling results. The Kryso Group may therefore have substantially less, if any, gold which could be recovered profitably, and the Kryso Group's revenues, operations, financial condition and prospects would be materially and adversely affected.

**The development of the Pakrut Gold Project, including adequate and suitable infrastructure, may be delayed, may exceed the expected budget or may not be developed at all.**

The Kryso Group's projects and the Kryso Group's ability to develop adequate infrastructure may be delayed or adversely affected by a variety of factors, including:

- failure to obtain sufficient funding;
- disputes with or defaults by the Kryso Group's contractors and / or their subcontractors;
- difficulties or delays in the construction of infrastructure required for the Pakrut Gold Project;
- resource constraints, including access to fuel to generate electricity for mining operations;
- transportation difficulties;
- geological, geotechnical, environmental and seismic factors;
- industrial accidents;
- occupational and health hazards;
- technical failures;
- labour disputes;
- flooding and extended interruptions due to inclement or hazardous weather conditions;

- explosions;
- political instability or change (which may result in the withdrawal of permits and licences or nationalisation of industries);
- acts of terrorism;
- war;
- loss of key personnel; and
- currency fluctuations.

Costs of the overall, or specific elements to the Pakrut Gold Project may exceed the Kryso Group's planned investment budget because of such factors. Any delays, cost overruns or inability to develop infrastructure could have a material and adverse effect on the Kryso Group's results of operations, financial condition and ability to achieve project completion.

**The Kryso Group may face an adverse political and regulatory landscape.**

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Kryso Group must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations or more stringent enforcement of existing laws and regulations, could have a material and adverse impact on the Kryso Group's results of operations and financial condition. The Kryso Group's exploration, mining and processing activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. There can also be no assurance that they will be renewed or if so, on what terms. A change to the policies or a change in the identity of the government in Tajikistan could result in an adverse change to the political conditions and landscape in which the Kryso Group operates.

**The Kryso Group may not be able to sell all or any of its gold at the price or quantity that it expects.**

The Kryso Group has not entered into any offtake arrangements for the purchase and sale of the gold to be produced from the Pakrut Gold Project. Accordingly, the Kryso Group will be subject to market demand for and prices of gold. As such, the Kryso Group may not be able to sell gold at the prices that it expects, or at all.

**The Kryso Group's success will depend to a significant extent upon the Kryso Group's ability to attract and suitably qualified employees and management.**

If the Kryso Group is unable to attract and retain key management and employees, this could materially and adversely affect the Kryso Group's business and results of operations. The Kryso Group's ability to recruit and train personnel is also a key factor for the Kryso Group's business activities. As the Kryso Group's business activity grows, it will require additional key financial, administrative and mining personnel, as well as additional operations staff. The Kryso Group's business and results of operations could also be materially and adversely affected if it is not successful in recruiting, retaining and training such personnel.

## **RISKS RELATING TO THE GOLD INDUSTRY**

**The exploration and development of gold resources is a speculative business and involves a high degree of risk.**

The Kryso Group's exploration activities may not result in discoveries or the profitable exploitation of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by the Kryso Group will be affected by numerous factors beyond the Kryso Group's control. These include market fluctuations, the availability of processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, the importing and exporting of minerals and environmental protection. Any one or more of these factors may result in the Kryso Group not receiving an adequate return, if any, on invested capital. It cannot be assured that the Kryso Group's business will be profitable or that the Kryso Group's resources will become commercially viable in the future. This may materially and adversely affect the price of the Kryso Group's shares and investors may lose some or all of their investment.

**The Kryso Group may face supplies, equipment, materials or personnel shortages and operating cost pressures.**

The strong performance of the price of gold over recent years and large numbers of gold and other natural resources projects being commenced and expanded globally has led to increased demand for, and shortages in, skilled personnel, contractors, materials and supplies that are required by the Kryso Group. In particular, the availability and cost of labour and construction materials will be critical to the growth and development of the Kryso Group's business. A number of key cost inputs such as power and fuel, which are expected to constitute a significant part of the Kryso Group's operating expenses, are commodity-linked and will be affected by unpredictable factors outside the Kryso Group's control, such as a higher commodity price environment, government policies, exchange rates and inflation rates. Shortages and increases in the cost of inputs could lead to increased capital and operating costs and could impact the schedule of the Kryso Group's exploration and development plans. Such changes may require the Kryso Group to seek additional funding and incur additional debt, which may adversely affect the Kryso Group's financial condition.

**Market prices of gold may fluctuate widely.**

Although the trend over recent years has been that the price of gold in the market has been rising, there is no guarantee that that trend will be sustainable in the near, medium, or long-term. The Kryso Group's revenues and cash flows will be derived from the sale of gold and are therefore exposed to price fluctuation by numerous factors beyond the Kryso Group's control. Such factors include global demand, freight costs, costs of production by other mineral producers and other macro-economic factors such as expectations regarding inflation, interest rates and currency exchange rates, as well as general global economic conditions and political trends. If gold prices should fall below or remain below the Kryso Group's cost of production for any sustained period, the Kryso Group's business and results of operations would be materially and adversely affected.

**If the Kryso Group cannot maintain a competitive cost of production, it will face intense competition in the gold industry.**

The gold exploration industry is highly fragmented among many global and regional mining and exploration companies and is characterised by intense competition. Competition is based on many factors, including resources and reserves, product quality and characteristics, production costs and transportation capability.

The Kryso Group also faces competition from numerous other resource exploration and development businesses in attracting and retaining experts and labour for the Kryso Group's various stages of development, in securing appropriate equipment and supplies and to secure financing and joint venture partners for the Kryso Group's operations. Some of the Kryso Group's competitors have substantially

greater financial, technical, marketing, distribution and other resources. If, when the Kryso Group reaches production phase, it is not able to maintain or improve its cost-effective rate of producing high quality products as compared with the Kryso Group's competitors, the Kryso Group's market share at the time, financial condition and results of operations may be materially and adversely affected.

**An oversupply of gold in the future could adversely affect the Kryso Group's profitability.**

Any oversupply of gold in the global markets could reduce gold prices in the future, which could materially and adversely affect the Kryso Group's business, financial condition, results of operations and prospects.

**The Kryso Group is subject to risks inherent in exploration, development and production activities.**

The conduct of exploration, development and production programmes and extraction opportunities involves a variety of risks, both man-made and naturally occurring, including:

- operating and infrastructure risks and safety issues, such as the risk of fire, explosions, mine collapses, blowouts, accidents, labour disputes, power outages, unexpected geological conditions or occurrences, and environmental hazards;
- adverse weather and natural disasters, including heavy rains, landslides, floods, earthquakes and fires;
- technical or mechanical failures;
- processing deficiencies;
- failure to obtain key materials and supplies, such as explosives, fuel and spare parts, particularly trucks, excavators and tires for such equipment, due to capacity and supply constraints in the world steel and rubber markets and high global demand for those materials and other mining equipment;
- changes in geologic conditions and geotechnical instability of the Kryso Group's mining operations;
- licensing or regulatory issues, such as temporary or permanent instructions to cease operations because of pollution;
- incorrect reserve estimates or discrepancies in the Kryso Group's geological models;
- wars, political instability or change, terrorism and other similar activities; and
- delays caused by unforeseen circumstances or events outside the Kryso Group's control.

The occurrence of any of these risks and hazards could result, *inter alia*, in damage to or destruction of the Kryso Group's facilities, personal injury or loss of life, environmental damage, business interruption, delays, increased production costs, monetary losses and possible legal liability, including compensatory claims, fines and penalties, which could materially and adversely affect the Kryso Group's business and results of operations.

In addition, the Kryso Group may incur substantial losses because of delays or disruption in the Kryso Group's production logistics, the shipment of products, the Kryso Group's inability to export its products and receive the proceeds of sale and disputes between the Kryso Group and third parties.

The Kryso Group expects the Pakrut Gold Project to produce a significant amount of wastewater, waste rock and tailings as a result of the Kryso Group's mining activities, which could expose it to material liabilities. Wastewater and tailings can contain substances that are potentially harmful to humans and the

environment. The Kryso Group may be subject to claims for damages to persons or property resulting from the release into the environment of wastewater, waste rock or tailings residue by the Kryso Group's operations. The Kryso Group may also be responsible for any liability arising in connection with environmental damage. Furthermore, higher environmental protection standards may be imposed by Tajikistan in the future, which could increase the Kryso Group's costs of compliance and/or threaten its operations. In either event, such costs and liabilities could materially and adversely affect the Kryso Group's business and results of operations.

**The Kryso Group's operations are exposed to risks in relation to the mishandling of dangerous materials.**

The Kryso Group's operations may involve the handling and storage of explosive substances, toxic chemicals and other dangerous materials, particularly in the event of the discovery of radioactive materials or fibrous minerals. Accidents arising from the mishandling of dangerous articles may occur in the future. If the Kryso Group fails to comply with any relevant laws, regulations or policies, or should any accident occur as a result of the mishandling of dangerous articles, the Kryso Group's business and results of operations may be materially and adversely affected, and the Kryso Group (and its officers or employees) may be subject to penalties and/or civil and/or criminal liabilities. More stringent laws, regulations and policies may be implemented by the relevant Tajik authorities, and the Kryso Group may not be able to comply with any future laws, regulations and policies in relation to the handling of dangerous articles in an economically viable manner, or at all.

**The Kryso Group's operations will be subject to extensive laws and government regulations.**

The Kryso Group's operations are subject to extensive laws and government regulation, including environmental, health and safety laws and regulations. These laws and regulations set various standards regulating certain aspects of health and environmental quality, including waste treatment, emissions and disposals. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

Mining and construction operations in Tajikistan are subject to a variety of general and industry specific regulations concerning the environment (including discharge of hazardous waste and materials and mine reclamation and rehabilitation), the health and safety of employees, land access, infrastructure creation and access, royalties, taxation, accounting policies and other matters. In addition, certain types of operations require the design and use of mining and construction methods and equipment, submission of impact statements and approvals thereof by government authorities. Compliance with such laws may cause delays or require capital outlays in excess of those anticipated, causing an adverse impact on the Kryso Group's projects. Additionally, if these laws were to change and if, as a result, material additional expenditure was required to comply with such new laws and regulations, this could adversely affect the Kryso Group's projects and financial condition. Further, a breach of the laws or regulations to which the Kryso Group is subject may result in the imposition of fines and penalties or suspension or closure of mining operations or associated infrastructure. Certain laws and regulations are evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Despite precautions, breaches of such regulations, whether inadvertent or not, or consequences of the Kryso Group's activities such as environmental pollution, may subject the Kryso Group to liabilities that would materially and adversely affect the Kryso Group's financial condition and results.

More onerous environmental, health and safety laws, policies and/or industry standards, codes and practices, including environmental rehabilitation requirements, may be implemented by the relevant authorities in the future that will require the Kryso Group to undertake costly measures or obtain additional

approvals. The Kryso Group's business and results of operations could be materially and adversely affected by any obligations which may be imposed under such new laws, policies and/or standards.

**The Kryso Group's operations are dependent on the availability of resources on economically viable terms.**

As the Kryso Group's projects mature, production volumes could decrease and production costs could increase if the Kryso Group is not able to acquire additional resources. The Kryso Group's resources will decline after production commences. In turn, production costs typically increase as mining increases because of increased costs of ventilation, drainage and transportation. The Kryso Group's future growth and medium to long-term success will therefore depend on the Kryso Group's ability to acquire additional resources and to convert such resources into economically recoverable reserves. The Kryso Group may not be able to find new resources or such resources may not be recoverable on economically viable terms. If the Kryso Group is unable to obtain new resources, the Kryso Group's business, results of operations and prospects would be materially and adversely affected.

**RISKS RELATING TO OPERATING IN TAJIKISTAN**

**Tajikistan has the potential to be politically and economically unstable.**

There is no certainty that the current political and economic environment will remain stable. Political instability or change in Tajikistan may result in war or civil unrest, expropriation, nationalisation, renegotiation or nullification of existing agreements, mining leases and permits, changes in laws, or currency restrictions. Any of these can have a material and adverse effect on the profitability or, in extreme cases, the viability of a project.

**The laws and regulations affecting the Tajik economy are at an early stage of development.**

The laws and regulations affecting the Tajik economy are at an early stage of development and are less well established than those in Western Europe, the United States and other parts of Asia.

The Kryso Group's operations could be materially and adversely affected by changes in government regulations in Tajikistan with respect to restrictions on price controls, foreign investment and income taxes. Foreign persons are currently allowed to invest in mining and exploration projects in Tajikistan, subject to compliance with relevant legislation. However, there is no guarantee that the current, or any future, Tajik government will continue to allow such foreign investment.

Changes to laws and regulations may result in loss of funding, construction and other resources which are critical to the success of the Kryso Group's business.

**Local perception of the Pakrut Gold Project may change.**

Local communities may now, or in the future, regard the Pakrut Gold Project as having a detrimental effect on their economic and social circumstances. Should this occur, it may have a material and adverse impact on the profitability or viability of the project.

**There may be an outbreak or threatened outbreak of a severe communicable disease.**

There may be an outbreak, or threatened outbreak, of a severe communicable disease in Tajikistan. The outbreak, or threatened outbreak, of any severe communicable disease in Tajikistan could materially and adversely affect the overall business environment, particularly if such outbreak is inadequately controlled. This, in turn, could materially and adversely affect domestic labour supply and, possibly, the overall GDP growth of Tajikistan. Any labour shortages could materially and adversely affect the Kryso Group's business and results of operations.

## PART 3

### ADDITIONAL INFORMATION

#### 1. Status

New Kryso was incorporated as an exempted company limited by shares on 24 April 2013 in the Cayman Islands under the Cayman Companies Law and with registered number WK-277188.

New Kryso's legal and commercial name at the date of this document is Kryso Resources Corporation Limited. New Kryso is domiciled in the Cayman Islands. The primary legislation under which New Kryso operates is the Cayman Companies Law.

New Kryso has not traded since incorporation and has undertaken no activities other than those associated with its administration, the Scheme and Admission.

The registered office of New Kryso is at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005 Cayman Islands and its principal place of business activities is Tajikistan. The representative telephone number for New Kryso in the UK is +44 (0)20 7349 9160. New Kryso's website address is the same as Existing Kryso's website address, which is [www.kryso.com](http://www.kryso.com).

Existing Kryso Ordinary Shares have been traded on AIM since 2 December 2004.

The New Kryso Ordinary Shares are denominated in US dollars.

New Kryso intends to prepare its first accounts for the period from incorporation to 31 December 2013 and thereafter shall prepare its annual accounts to 31 December each year (being the same date to which Existing Kryso prepares its annual accounts).

The Kryso Group's auditor for the period covered by the historical financial information referred to in paragraph 5 of Part 1 was Littlejohn LLP of 1 Westferry Circus, Canary Wharf, London E14 4HD, registered to carry out audit work by the Institute of Chartered Accountants in England & Wales.

The Directors confirm that, having made due and careful enquiry, Existing Kryso has adhered to all legal and regulatory requirements involved in having its securities traded on AIM.

Without prejudice to the generality of the paragraph above, the Directors confirm that Existing Kryso has complied with the continuous disclosure requirements of AIM. All significant changes in Existing Kryso's financial or trading position since the end of the financial year ended 31 December 2012 are in the Public Record and have been the subject of announcements available on Kryso Group's website ([www.kryso.com](http://www.kryso.com)) and the London Stock Exchange website ([www.londonstockexchange.com](http://www.londonstockexchange.com)).

Copies of the New Kryso Articles are available at [www.kryso.com](http://www.kryso.com).

#### 2. The Kryso Group

The details of the Kryso Group below are as expected upon the Scheme becoming Effective.

| <i>Name</i>                      | <i>Country of incorporation</i> | <i>Shares directly held by</i>      | <i>Percentage of equity held by shareholding entity</i> |
|----------------------------------|---------------------------------|-------------------------------------|---|
| Kryso Resources Plc              | England & Wales                 | Kryso Resources Corporation Limited | 100%  |
| Kryso Resources Limited          | British Virgin islands          | Kryso Resources Plc                 | 100%  |
| Limited Liability Company Pakrut | Tajikistan                      | Kryso Resources Limited             | 100%  |

|  |                 |                         |      |
|--|-----------------|-------------------------|------|
| Limited Liability Company Kuhi Zarin             | Tajikistan      | Kryso Resources Limited | 100% |
| International Mining Supplies & Services Limited | England & Wales | Kryso Resources Limited | 100% |
| Limited Liability Company Gumaz                  | Tajikistan      | Kryso Resources Limited | 100% |
| Limited Liability Company Asia Oil and Gas       | Tajikistan      | Kryso Resources Limited | 100% |

### 3. Share Capital

The authorised share capital of New Kryso is \$50,000 divided into 500,000,000 ordinary shares of \$0.0001 each. The issued share capital of New Kryso as at the date of this document is one fully paid ordinary share of \$0.0001.

On incorporation, one New Kryso Ordinary Share was issued to Walker Nominees Limited (the **Subscriber Share**), the subscriber to New Kryso's memorandum of association. The Subscriber Share was issued at nominal value of \$0.0001 and was fully paid up. On the date of incorporation, the Subscriber Share was transferred to Abuali Ismatov, being a director of Existing Kryso and New Kryso, and an employee of the Kryso Group.

Upon Admission, the number of New Kryso Ordinary Shares in issue, and the number of Share Options relating to shares in New Kryso is expected to be as follows:

|  | <i>Number</i> |
|--|---------------|
| No. of New Kryso Ordinary Shares to be issued pursuant to the Scheme | 381,292,291   |
| No. of Share Options to be rolled over into New Kryso                | 8,975,000     |

The issue New Kryso Ordinary Shares pursuant to the Scheme, as set out above, was authorised by the Board on 7 May 2013.

The aforementioned issue of the New Kryso Ordinary Shares pursuant to the Scheme is expected to take place upon the Scheme Effective Date, being 30 July 2013.

Save as disclosed in this document or otherwise disclosed in connection with the Scheme:

- (a) there are no acquisition rights and/or obligations over authorised but unissued capital, or an undertaking to increase the capital, of New Kryso;
- (b) no unissued share or loan capital of New Kryso is under option or is agreed conditionally or unconditionally to be put under option;
- (c) there are no outstanding convertible and exchangeable securities and warrants issued by New Kryso; and
- (d) New Kryso does not have in issue any shares which do not represent capital.

### 4. Memorandum and Articles of Association

The New Kryso Articles are, so far as is possible under Cayman Island legislations, based on the Existing Kryso Articles, but have been updated to reflect the differences between the Cayman Companies Law and the Companies Act.

The New Kryso Articles include provisions to the following effect:

## Objects and purposes

New Kryso's objects, as contained in its Memorandum of Association, are unrestricted and New Kryso has full power and authority to carry out any object not prohibited by law.

## Share rights general

### *Variation of rights*

If at any time New Kryso issues shares of different classes, all or any of the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. In any such separate general meeting, the quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class and that any holder of shares of the relevant class present in person or by proxy may demand a poll.

### *Authority to allot shares, pre-emption rights and power to disapply pre-emption rights*

The Directors may only allot any 'Relevant Securities' (as defined in the New Kryso Articles) if so authorised by ordinary resolution of the members, save in connection with the Scheme, where the Directors are directly authorised by the New Kryso Articles to make allotments of shares pursuant to the Scheme.

The New Kryso Articles contain pre-emption rights which require new 'Equity Securities' (as defined in the New Kryso Articles) that are proposed to be allotted wholly for cash to be offered to holders of 'Relevant Shares' or 'Relevant Employee Shares' on a pro rata basis before allotting them to other persons, unless the directors are authorised by a special resolution to allot shares free of pre-emption rights.

The pre-emption rights do not apply to a particular allotment of 'Equity Securities' for a consideration that is wholly or partly otherwise than in cash, nor in the case of a proposed allotment to a holder of 'Relevant Shares' or 'Relevant Employee Shares'.

### *Alteration of capital*

New Kryso may by ordinary resolution and subject to provisions of the Cayman Companies Law: (a) cancel any share which has not been taken or agreed to be taken by any person; (b) consolidate or divide its shares into several classes and attach thereto respectively any preferential, deferred, or special rights or restrictions in accordance with the New Kryso Articles; or (c) sub-divide its shares into shares of smaller amounts and consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.

New Kryso may by special resolution and subject to provisions of the Cayman Companies Law purchase its own shares (including any redeemable shares) or reduce its share capital. New Kryso may hold any shares which it has purchased as treasury shares.

### *Transfer of shares*

A member may transfer all or any of his shares by transfer in writing in the usual common form or in any other manner (whether or not by written instrument) which the Board may approve. Any written instrument of transfer shall be signed by or on behalf of the transferor and also (in the case of a partly paid share) the transferee. Where New Kryso participates in any computerised or electronic share transfer system conducted in accordance with the AIM Rules, the instruments of transfer shall be registered in accordance with the AIM Rules.

Subject to the Cayman Companies Law, the facilities and requirements of any system concerning computerised and electronic share transfers and the New Kryso Articles, the Directors have the discretion to implement and/or approve any arrangements they think fit in relation to the evidencing of title and transfer of interests in shares in the capital of New Kryso in the form of depositary interests or similar interests, instruments or securities. Where such arrangements are implemented, the provision of the New Kryso Articles do not apply or have effect to the extent that it is inconsistent with the holding or transfer of the shares in the capital of New Kryso represented by such arrangements.

The Directors may in their absolute discretion decline to register any transfer of any share to the extent permitted or required by the AIM Rules unless the provisions of the New Kryso Articles have been complied with in respect of such transfer. Where the transfer is declined, the Directors shall send a notice of refusal to the transferee within 10 business days after the date on which the transfer was lodged with New Kryso.

#### *Voting rights*

On a show of hands, every member who is present in person and is entitled to vote in his own right and the duly authorised representative of one or more corporations shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for each share of which he is the holder. Such voting rights are however subject to provisions of the New Kryso Articles and any special terms attached to the shares.

#### *Dividends*

New Kryso may by ordinary resolution declare dividends to members and, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets.

The Directors may from time to time declare dividends (including interim dividends, if it appears to the Directors to be justified by the position of New Kryso) to be paid to the members according to their rights and interests.

The Directors may also pay any fixed cash dividend which is payable on any share of New Kryso half yearly or on such other dates (if it appears to the Directors to be justified by the position of New Kryso).

Dividends shall be paid out of profits or out of monies otherwise available for dividend in accordance with the Cayman Companies Law.

Subject to the rights of members with special rights as to dividends (if any), all dividends shall be declared and paid according to the amount paid up on the shares (in respect of which the dividend is paid) and any dividend on any class of shares not fully paid shall be declared and paid according to the amounts paid.

Dividends or other distribution or other monies payable in respect of any share do not bear interest against New Kryso.

The Directors may invest or make use of all unclaimed dividends or distributions for the benefit of New Kryso until claimed. Any dividend or distribution unclaimed for a period of 12 years after the dividend or distribution payment date shall be forfeited and revert to New Kryso.

#### *Return of capital*

On a winding-up, the liquidator may, with the approval of a special resolution and any other sanction required by the Cayman Companies Law, divide amongst the members *in specie* or kind the whole or any part of the assets of New Kryso. A liquidator may set such value as he deems fair upon any property to be divided and may determine the basis on which such division shall be carried out as between the members or different classes of members.

### *Register of members*

The register of members may be closed at such times and for such periods (not exceeding all together thirty days in each year) as the Board may from time to time determine, upon notice being given by advertisement in a leading daily newspaper and in such other newspaper (if any) as may be required by the Cayman Companies Law.

### General meetings

#### *General meetings and notices*

The Board shall convene and New Kryso shall hold general meetings and annual general meetings in accordance with the requirements of the Cayman Companies law, at such times and places as the Board shall appoint.

An annual general meeting shall be called by not less than 21 clear days' notice in writing whilst a meeting other than an annual general meeting shall be called by not less than 14 clear days' notice in writing, unless the necessary consents specified in the New Kryso Articles are obtained. Subject to the provisions of the Cayman Companies Law, notice of every general meeting shall be given to all members of New Kryso (unless they are not entitled to receive such notices from New Kryso) and also to the auditors. The notice shall specify the place, day and time of the meeting, and the general nature of the business.

The Board shall convene a general meeting on a written requisition of the members of New Kryso holding in the aggregate not less than one-twentieth of the issued shares of New Kryso and carrying voting rights. Such requisition shall express the general nature of the meeting proposed to be called and may include the text of a resolution intended to be moved at the meeting. The Directors shall convene a general meeting within 21 days from the date of such requisition being received, with such meeting being held within 28 days after the date of the notice convening the meeting. Where such meeting is not convened by the Directors, the requisitionists (or any of them representing more than one half of their total voting rights) may convene a general meeting to be held within three months after the date on which the Directors became subject to the requirement to call a meeting, but subject to the requirements of the New Kryso Articles as to notice.

The Directors intend that New Kryso's shareholder meetings will be held in London, which is in accordance with current practice in respect of Existing Kryso and is permitted as a matter of Cayman law. This may be reviewed again in the context of any future listing on an alternative stock exchange, for example the proposed HK Listing and Offering.

#### *Proceedings at general meetings*

A quorum for any general meeting is two people (including members present in person or by proxy) entitled to vote at the meeting. If a quorum is not present within 15 minutes (or such longer time as the chairman of the meeting may determine but not exceeding one hour) or if the quorum ceases to be present during the meeting, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to such other day (not being less than 7 days thereafter), time or place as the chairman may determine. New Kryso shall give not less than 7 days' notice in writing of any such adjourned meeting.

Each Director shall be entitled to attend and speak at any general meeting of New Kryso, even if not a member.

### *Voting, proxies and corporate representatives*

Any question proposed for consideration at any general meeting shall be decided by ordinary resolution, unless a special resolution or other greater majority is required by the Cayman Companies Law or the New Kryso Articles.

A resolution of the meeting put to vote shall be decided on a show of hands, unless a poll is demanded by such persons provided in the New Kryso Articles. In the case of an equality of votes at a general meeting (whether by show of hands or by poll), the chairman of the meeting shall not be entitled to a second or casting vote and the resolution shall fail.

A member may attend and/or vote at general meetings in person or by proxy. The New Kryso Articles contain provisions for the appointment of proxies and corporate representatives, including communication of appointments and cut off times for appointments prior to general meetings.

### Directors

#### *Appointment of Directors*

New Kryso must have at least two Directors on the Board but there is no maximum. The Board can appoint any person willing to be a Director either to fill a vacancy or as an additional Director and such person must retire at the next annual general meeting and can then be put forward for re-election by the members of New Kryso in accordance with the New Kryso Articles.

Members of New Kryso may appoint a Director by ordinary resolution or remove a Director by special resolution.

Directors do not need to be shareholders of New Kryso.

#### *Retirement of directors by rotation*

At each annual general meeting, one third of the Directors (if their number is not a whole multiple of three, then the number nearest to but not exceeding one-third) shall retire from office. However, if any director will have been a Director for three years or more since he was last appointed, he must retire even though such submission results in more than one-third retiring from office.

The Directors to retire by rotation will be those Directors who have been longest in office since their last election. As between two or more Directors who have been in office an equal length of time, they can agree among themselves who is to retire. In default of agreement, the decision is determined by lot.

#### *Remuneration of directors*

The total fees paid to non-executive Directors shall not exceed £250,000 per annum or such higher amount as may be determined ordinary resolution. A Director may also hold any other office with New Kryso in conjunction with his office of Director, the period and terms of which shall be determined by the Board. Such Director may be paid such extra remuneration which can take the form of salary, commission or participation in profits as the Board may determine.

### *Directors' interests*

A Director shall declare, by a written general notice to the Board, the nature and extent of his interest (whether direct or indirect) in a contract or arrangement or proposed contract or arrangement with New Kryso. Subject to the provisions of the Cayman Companies Law and as long as a Director has made such disclosure, a Director: (a) may be a party to, or otherwise have an interest in, any transaction or arrangement with New Kryso or in which New Kryso is interested in; and (b) may be a director, officer or employee of a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which New Kryso is interested in. A Director who has, and is permitted to have, any interest referred to in the foregoing, can keep any benefit which he derives as a result of having such interest.

Save as provided by the New Kryso Articles, a Director shall not vote or be counted in the quorum on any resolution concerning a matter which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of New Kryso.

An interest of a person who is (for any purpose of the Cayman Companies Law) connected with a Director shall be treated as an interest of the Director.

### *Resignation and disqualification of Directors*

The office of a Director shall be vacated in any of the events provided in the New Kryso Articles, which includes resignation, physical or mental incapacity, bankruptcy or being disqualified from being a director.

### Borrowing limits

Subject to the Cayman Companies Law and the provisions of the New Kryso Articles, the Directors may exercise all the powers of New Kryso to borrow money and to mortgage or charge its undertaking, property and assets and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of New Kryso or of any third party.

The Directors shall restrict the borrowings of New Kryso and exercise all voting and other rights, powers of control or rights of influence exercisable by New Kryso in relation to its subsidiary undertakings, so as to secure that the aggregate amount for the time being remaining outstanding of all monies borrowed by the Kryso Group and owing to persons outside the Kryso Group less the aggregate amount of 'Current Asset Investments' (as defined in the New Kryso Articles), shall not at any time, without the previous sanction of New Kryso in general meeting, exceed an amount equal to four times the 'Adjusted Capital and Reserves' (as defined in the New Kryso Articles).

### Indemnity of officers

New Kryso will indemnify an 'Indemnified Person' (as defined in the New Kryso Articles) out of the assets of New Kryso against all liabilities, loss, damage, cost or expense incurred or suffered by him in the conduct of New Kryso's business or in the discharge of his duties.

### Disposal of main undertaking

The Directors may not dispose of the main undertaking of New Kryso without first obtaining the approval of the members by special resolution and any such disposal must comply with the requirements of the AIM Rules.

### Disclosure of shareholdings

For so long as New Kryso is admitted to AIM, New Kryso shall be deemed to be subject to the provisions of Chapter 5 of the Disclosure and Transparency Rules or any successor or other regime (whether statutory or non-statutory) governing the disclosure of interests in shares in the United Kingdom. Under the

Disclosure and Transparency Rules, a person must notify New Kryso the percentage of his voting rights if the percentage of voting rights which he holds through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds.

## 5. Working Capital

The Directors have no reason to believe that the working capital available to New Kryso or the Kryso Group will be insufficient for at least twelve months from the date of Admission.

## 6. Directors' Interests

On the Scheme Effective Date, assuming that no Existing Kryso Ordinary Shares have been sold and that no further Existing Kryso Ordinary Shares have been purchased or issued in any such case after 19 June 2013 (being the latest practicable date prior to publication of this document), the Directors (who are also the New Kryso Directors) will have the following beneficial interests in New Kryso Ordinary Shares by virtue of the effect of the Scheme on their Existing Kryso Ordinary Shares. These figures do not include any interests that such Directors may have as a result of holding Share Options.

| <i>Director</i>     | <i>Number of Existing Kryso Ordinary Shares</i> | <i>Number of New Kryso Ordinary Shares</i> | <i>Percentage of issued ordinary share capital of New Kryso</i> |
|---------------------|---|--|---|
| Craig William Brown | 900,000   | 900,000                                    | 0.2%  |
| Abuali Ismatov      | 7,100,000                                       | 7,100,000                                  | 1.8%  |

The beneficial interests of the Directors together represent approximately 2% of the issued ordinary share capital of Existing Kryso in existence as at 19 June 2013 (being the latest practicable date prior to the publication of this document).

As at 19 June 2013 (being the latest practicable date prior to the publication of this document), the interests of the Directors in Share Options or equivalent rights over Existing Kryso Ordinary Shares were as follows:

| <i>Director</i>     | <i>Grant date</i> | <i>Number of Existing Kryso Ordinary Shares subject to award</i> | <i>Vesting date</i> |
|---------------------|-------------------|--|---------------------|
| Tao Luo             | 8 July 2011       | 600,000  | 8 July 2012         |
| Tao Luo             | 26 September 2012 | 800,000  | 28 September 2013   |
| Craig William Brown | 26 September 2012 | 800,000  | 28 September 2013   |
| Leonard Lee (Li Li) | 8 July 2011       | 600,000  | 8 July 2012         |
| Leonard Lee (Li Li) | 26 September 2012 | 800,000  | 28 September 2013   |
| Weili (David) Tang  | 8 July 2011       | 600,000  | 8 July 2012         |
| Weili (David) Tang  | 26 September 2012 | 800,000  | 28 September 2013   |
| Abuali Ismatov      | 26 September 2012 | 800,000  | 28 September 2013   |

Details of proposals to be made to holders of Share Options as a result of the Scheme and the effect of the Scheme on the Share Options are set out in paragraph 12 of Part 4 (*Additional Information*) of the Circular.

Prior to the Scheme becoming Effective, Abuali Ismatov, a non-executive Director of Existing Kryso, will be the sole shareholder in New Kryso. As at 19 June 2013 (being the latest practicable date prior to the publication of this document), Mr Ismatov held one share in the capital of New Kryso.

In the event that the Scheme becomes Effective, the current and proposed directors of New Kryso will have the same number (and percentage) of New Kryso Ordinary Shares as they had in respect of Existing Kryso Ordinary Shares prior to the Scheme.

## **7. Directors' Service Agreements, Letters Of Appointment And Remuneration**

### *Executive Directors*

Both of the executive Directors (Craig Brown and Leonard Lee) are currently employed by KRL pursuant to service agreements with KRL.

Craig Brown entered into a service agreement with KRL on 16 March 2013 in respect of his appointment to perform such duties as are consistent with his position as Managing Director and to work in both London and the Republic of Tajikistan. The agreement is subject to termination by three months' notice from either party. Other than the requirement to give three months' written notice, there are no provisions for compensation payable on termination of Mr Brown's appointment. Under his service agreement, Mr Brown is entitled to an annual salary of £140,400 per annum. In addition, Mr Brown is entitled to private medical care for himself, his wife and his dependent children, personal accident and travel insurance cover, and life assurance cover to the sum of £500,000. There is no pensions entitlement. Mr Brown is permitted to invest or become interested in companies, or assist other companies, applying for mining and exploration licences in Tajikistan provided that he informs Existing Kryso and absents himself from all discussions and meetings of the board of directors of the Kryso Group which relate to any conflict or potential conflict of interest in relation any such investment or activity.

Leonard Lee entered into a service agreement with KRL on 21 September 2012 in respect of his appointment as Group Finance Director. He has agreed to work in China, Hong Kong and Tajikistan. The agreement is subject to termination by three months' notice from either party. Other than the requirement to give three months' written notice, there are no provisions for compensation payable on termination of Mr Lee's appointment. Under his service agreement, Mr Lee is entitled to an annual salary of £100,000 per annum. In addition, Mr Lee is entitled to private medical care for himself, his wife and his dependent children, personal accident and travel insurance cover and life assurance cover to the sum of £500,000. There is no pensions entitlement. The agreement includes customary restrictive covenants for a period of 6 months following the date of termination.

Each of the executive Directors has agreed that on the Scheme becoming Effective, all references to Existing Kryso in his service agreement with KRL shall mean New Kryso.

### *Non-Executive directors*

All non-executive Directors have letters of appointment with Existing Kryso which set out the specific terms of engagement.

The services of Tao Luo as a non-executive Director and Chairman of Existing Kryso are provided under the terms of a letter of appointment with Existing Kryso dated 8 December 2010. His appointment is effective from 24 November 2010 and continues thereafter (subject to the re-appointment by the shareholders) unless terminated by either party on three months' written notice. The appointment letter provides for the payment to him by Existing Kryso of director's fees of £24,000 per annum in respect of his appointment. Other than the requirement to give three months' written notice, there are no provisions for compensation payable on termination of Tao Luo's appointment.

The services of David Tang as a non-executive Director of Existing Kryso are provided under the terms of a letter of appointment with Existing Kryso dated 8 December 2010. His appointment is effective from 24 November 2010 and continues thereafter (subject to the re-appointment by the shareholders) unless terminated by either party on three months' written notice. The appointment letter provides for the payment to him by Existing Kryso of director's fees of £18,000 per annum in respect of his appointment. Other than the requirement to give three months' written notice, there are no provisions for compensation payable on termination of David Tang's appointment.

The services of Abuali Ismatov as a non-executive Director of Existing Kryso are provided under the terms of a letter of appointment with Existing Kryso dated 11 July 2012. His appointment is effective from 1 July 2012 and continues thereafter (subject to the re-appointment by the shareholders) unless terminated by either party on three months' written notice. The appointment letter provides for the payment to him by Existing Kryso of director's fees of £18,000 per annum in respect of his appointment. He is entitled to a further amount of £300 per day (and so in proportion for any part of a day) for any day that he provides services to Existing Kryso or the Kryso Group which are in addition to those services provided by him as a non-executive Director. Other than the requirement to give three months' written notice, there are no provisions for compensation payable on termination of Abuali Ismatov's appointment.

Each of the non-executive Directors has entered into a letter of appointment with New Kryso to take effect from the Scheme Effective Date, the terms of which will be substantially the same as his terms of appointment with Existing Kryso. On the Scheme becoming Effective, the non-executive Directors' appointments as directors of Existing Kryso will be terminated by mutual consent.

## **8. Additional Information on Directors**

The Directors have held no UK directorships and partnerships within the five years preceding the date of this document, other than of Existing Kryso and its subsidiaries and associated companies.

Save as disclosed above, none of the Directors is currently a director of any company or a partner in any partnership or has been a director of a company or a partner in any partnership in the five years immediately preceding the date of this document.

In the five years immediately preceding the date of this document, none of the Directors has:

- (a) any convictions in relation to any fraudulent offences;
- (b) been bankrupt or the subject of an individual voluntary arrangement;
- (c) been a director of any company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the twelve months preceding, such events;
- (d) been a partner of any firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within twelve months preceding, such events;
- (e) had any assets belonging to him placed in receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within twelve months preceding, such receivership; or
- (f) been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

Save as disclosed in the Public Record, there is no contract or arrangement to which New Kryso is a party and in which any Director is materially interested and which is significant in relation to the business of New Kryso and no amount or benefit has been or is intended to be paid or given to any promoter of New Kryso.

## 9. Employees

Details of the average number of the Kryso Group's employees at the end of each of the three financial periods, the last of which ended on 31 December 2012, are as follows:

| <i>Financial Period End</i> | <i>Number of Employees</i> |
|-----------------------------|----------------------------|
| 2010                        | 111                        |
| 2011                        | 287                        |
| 2012                        | 342                        |

## 10. Significant Shareholders

Other than the sole New Kryso Ordinary Share held by Abuali Ismatov, there are no interests in three per cent. or more of New Kryso's issued share capital as at 19 June 2013, being the latest practicable date prior to the issue of this document.

The Directors are aware of the following interests in three per cent. or more of New Kryso's issued share capital which are expected to be outstanding on Admission:

| <i>Name of shareholder</i>                  | <i>Expected number of New Kryso Ordinary Shares<sup>2</sup></i> | <i>Percentage of voting rights in respect of New Kryso Ordinary Shares</i> |
|---|---|--|
| China Nonferrous Metals Int'l Mining Co.Ltd | 146,666,666   | 38.47  |
| Golden Max Group                            | 33,823,113  | 8.87   |
| Zhao Bin                                    | 27,707,777  | 7.27   |
| Pershing Nominees                           | 19,454,239  | 5.10   |
| Bocom International Securities              | 16,500,000  | 4.33   |
| Bank of China International                 | 12,423,353  | 3.26   |

Save as disclosed in this Part 3, so far as New Kryso and the Directors are aware, no persons are, at the date of this document, or will be, following Admission, directly or indirectly interested in three per cent. or more of the issued share capital of New Kryso.

The persons, including the Directors, referred to in this Part 3 do not have any voting rights in respect of the issued share capital of New Kryso (issued or to be issued) which differ from any other New Kryso Ordinary Shareholder.

## 11. Share Options

### *Unapproved Share Option Scheme*

Existing Kryso has one unapproved share option scheme (the **Unapproved Share Option Scheme**).

On 8 July 2011, Share Options were granted to certain Directors and employees of Existing Kryso pursuant to the Unapproved Share Option Scheme at an exercise price of £0.1625 per share. These options became exercisable in July 2012. As at 19 June 2013 (being the latest practicable date prior to the publication of this document), 3,350,000 of these options are outstanding and have not been exercised.

On 18 April 2013, the Board granted another 1,475,000 Share Options to certain employees of Existing Kryso pursuant to the Unapproved Share Option Scheme at an exercise price of £0.30 per share. These options will become exercisable once the Court sanctions the Scheme. The Unapproved Share Option Scheme provides that any unexercised options may be rolled over into equivalent options in another company. Accordingly, letters have been sent to the holders of the Share Options referred to above to notify them of the proposed Scheme and to advise them that if their options are not exercised by the Scheme Record Time, it is proposed that they will be replaced with equivalent share options in New Kryso.

<sup>2</sup> These New Kryso Ordinary Shares will be represented by Depositary Interests

The replacement options will be treated as having been granted at the same time as the old options which they replace and will become exercisable or vest on the same terms subject to the rules of the Unapproved Share Option Scheme.

### *Share Option Agreements*

In addition to the Share Options granted pursuant to the Unapproved Share Option Scheme described above, Existing Kryso has also granted Share Options pursuant to individual unapproved share option agreements (the **Share Option Agreements**). As at 19 June 2013 (being the latest practicable date prior to the publication of this document), the following Share Options remain outstanding under the Share Option Agreements:

- 4,100,000 Share Options granted to the Directors and certain employees of Existing Kryso on 26 September 2012 at an exercise price of £0.30 per share; and
- 50,000 Share Options granted to certain employees of Existing Kryso on 18 April 2013 at an exercise price of £0.30 per share.

The Share Options above become exercisable one month prior to the expected date of the de-listing of Existing Kryso's shares from AIM.

Letters have been sent to the holders of the Share Options referred to above to notify them of the proposed Scheme and to advise them that if their options are not exercised by the Scheme Record Time, it is proposed that they will be replaced with equivalent share options in New Kryso. The replacement options will be treated as having been granted at the same time as the old options which they replace and will become exercisable or vest on the same terms as the Share Option Agreements.

## **12. Form of Shares**

The New Kryso Ordinary Shares are to be in registered form. No New Kryso Ordinary Shares will be issued to bearer.

## **13. CREST Depositary Interest Holders**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Overseas securities, such as those issued by New Kryso, a company recently incorporated in the Cayman Islands, cannot be held or settled within the CREST system.

However, to enable New Kryso Ordinary Shareholders to settle their securities in New Kryso through the CREST system, New Kryso has put in place a Depositary Interest facility operated by the Depositary. The Depositary Interest facility will be created pursuant to a deed poll under which the Depositary (or its nominee) will hold New Kryso Ordinary Shares in Certificated form on trust for New Kryso Ordinary Shareholders and it will issue Uncertificated Depositary Interests (on a one-for-one basis) representing those underlying New Kryso Ordinary Shares and provide the necessary custodian services (the **Deed Poll**). The relevant New Kryso Ordinary Shareholders will retain the beneficial interest in the New Kryso Ordinary Shares held through the Depositary Interest facility and voting rights, dividends or any other rights relating to those New Kryso Ordinary Shares will be passed on by the Depositary (or its nominee) in accordance with the terms of the Deed Poll. The Depositary Interests can then be traded, and settlement can be effected within the CREST system in the same way as any other CREST security.

Accordingly, New Kryso Ordinary Shares to which Existing Kryso Ordinary Shareholders who hold their Existing Kryso Ordinary Shares in the CREST system will become entitled if the Scheme becomes Effective will be allotted and issued to Computershare Company Nominees Limited (in its capacity as custodian of the Depositary) to be held on trust on behalf of such Existing Kryso Ordinary Shareholders.

New Kryso Ordinary Shareholders wishing to withdraw from the Depository Interest facility and hold their New Kryso Ordinary Shares in Certificated form can do so at any time using standard CREST messages. UK SDRT is likely to be payable in respect of any agreement to transfer New Kryso Ordinary Shares represented by Depository Interests, as it is unlikely that the required criteria of the Stamp Duty Reserve Tax (UK Depository Interests In Foreign Securities) Regulations SI 1999/2383 will be met.

CREST is a voluntary system and New Kryso Ordinary Shareholders who wish to receive and retain share certificates will be able to do so.

#### **14. Corporate Governance**

The Directors support the principles of good governance. There is no applicable corporate governance regime to which directors of a Cayman Islands company must adhere over and above the general fiduciary duties of care, diligence and skill imposed on such directors under Cayman Islands law. The Cayman Companies Law does however impose certain statutory duties on directors, including in respect of reporting obligations and the maintenance of registers and books of account.

Whilst New Kryso is not subject to the UK Corporate Governance Code, New Kryso intends, in so far as is practicable given its size, nature and state of development, to comply with the main provisions of the UK Corporate Governance Code, the Quoted Companies Alliance Guidelines and the Policy and Voting Guidelines for AIM Companies issued by the National Association of Pension Funds.

The UK Corporate Governance Code provides that certain matters should be delegated to board committees consisting principally or exclusively of non-executive directors. However, while the Board may make use of a committee to assist its consideration of audit, risk and compensation, the Board itself remains responsible for, and makes the final decisions on, these areas.

Consistent with the recommendations of the UK Corporate Governance Code, the Company has established Audit and Remuneration Committees.

##### *Audit Committee*

The Audit Committee has primary responsibility for determining the need for the Company to add an internal audit function and ensuring that the financial performance of the Company is properly measured and reported on. In this regard the Audit Committee will review the integrity of the Company's financial statements including its annual and half yearly reports, interim management statements, preliminary results announcements and any other announcement relating to its financial performance. The Audit Committee shall also oversee the Company's relationship with its external auditors including approving the auditor's remuneration and terms of engagement and assessing their independence.

The Audit Committee comprises Craig Brown and David Tang.

##### *Remuneration Committee*

The Remuneration Committee has responsibility for reviewing the performance of executive directors and executive officers and making recommendations to the Board relating to their remuneration and terms of employment. The Remuneration Committee also makes recommendations to the Board regarding stock incentive plans and pension arrangements. In addition the Remuneration Committee may implement a variable compensation plan for executive officers of the Company to align Company performance with executive compensation, based on the recommendation of the Managing Director, other than with respect to his own compensation.

The Remuneration Committee comprises Luo Tao, Leonard Lee (Li Li) and Abuali Ismatov.

## *Corporate Governance Practices*

A summary of the main corporate governance practices that have been applied during the reporting period is set out in the annual report, which is available on the Kryso Group's website at [www.kryso.com](http://www.kryso.com).

### **15. Material litigation**

Neither Existing Kryso nor any member of the Kryso Group as it will be following the Scheme is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Existing Kryso is aware) during the period covering at least the twelve months preceding the date of this document which may have, or have had in the recent past significant effects on the financial position or profitability of the Kryso Group.

### **16. Material Contracts**

Details of material contracts outside the ordinary course of business of the Kryso Group are set out below.

#### *CNMIM Loan Agreement and Related Agreements*

CNMIM agreed to provide a secured loan facility to Existing Kryso (the **Loan**) pursuant to the CNMIM Loan Agreement entered into on 24 May 2012.

Pursuant to the terms of the CNMIM Loan Agreement, the Loan is made on commercial terms in two denominations of US\$ 10 million and RMB 530 million (approximately US\$ 83.5 million in total). The Loan will be used to finance the design, construction, operation and administration of Pakrut Gold Project, of which Existing Kryso has 100% ownership through its indirect subsidiary, LLC Pakrut, and provide Existing Kryso with general working capital.

The US\$ 10 million amount of the Loan will be disbursed by CNMIM directly to Existing Kryso's bank account, whereas the RMB 530 million amount of the Loan will be disbursed by CNMIM entering into contracts with, and making payments to, third parties in connection with the purpose for which the Loan is provided at Existing Kryso's direction and on behalf of Existing Kryso and/or LLC Pakrut as their agent on terms set out in an agency agreement entered into between CNMIM, Existing Kryso and LLC Pakrut on the same date as the CNMIM Loan Agreement.

The terms of the CNMIM Loan Agreement include an annual fixed interest rate of 9% together with a one-off management fee of 0.5%, which is payable upfront. The Loan is repayable in equal instalments commencing in November 2014, with the final repayment date of the Loan being 31 May 2017. Repayment of the Loan will be made in US\$. In the event there are delays in Existing Kryso repaying any of the Loan, default interest at a rate of 13.5% per annum will be applied on any overdue amount from the date on which it is due until the date on which it is repaid. The CNMIM Loan Agreement is governed by the law of China.

The Loan is secured by a pledge (the **Pledge**) granted by Kryso Resources Limited (**KRL**), Kryso's wholly-owned subsidiary incorporated in the British Virgin Islands, to CNMIM over its 100% equity interest in LLC Pakrut, the indirect subsidiary of Existing Kryso which owns the Pakrut gold mine licence. The Pledge is governed by Tajik law.

In order to utilise the US\$ tranche and the RMB tranche of the Loan, Existing Kryso also entered into an intra-Kryso Group loan agreement with KRL, dated 24 May 2012, pursuant to which Existing Kryso is entitled to lend both the US\$ tranche and/or the RMB tranche of the Loan to KRL. KRL has in turn entered into an intra-Kryso Group loan agreement with LLC Pakrut, dated 24 May 2012, pursuant to which it is entitled to lend the US\$ tranche and/or the RMB tranche of the Loan to LLC Pakrut (within the total amount of the loan provided under the intra-Kryso Group loan agreement between Existing Kryso and KRL described above).

## *CNMIM Subscription Agreement*

Existing Kryso and CNMIM entered into the CNMIM Subscription Agreement on 27 July 2010.

Pursuant to the CNMIM Subscription Agreement, CNMIM subscribed for 73,333,333 Existing Kryso Ordinary Shares at £0.15 per share to raise approximately £11 million before expenses. Existing Kryso also issued to CNMIM one warrant for each Existing Kryso Ordinary Share allotted and issued to CNMIM, and each such warrant entitled CNMIM to subscribe for one new Existing Kryso Ordinary Share at £0.21 per share (the **Warrants**). CNMIM exercised all of the Warrants in 2012.

Existing Kryso agreed in the CNMIM Subscription Agreement to use at least 90% of the subscription proceeds to fund the continued exploration and development of the Pakrut Gold Project and subject to this requirement, to fund the on-going compliance costs of Existing Kryso in connection with its listing on AIM and to fund other expenditure as set out in Existing Kryso's annual budget.

Pursuant to the terms of the CNMIM Subscription Agreement, CNMIM is entitled to appoint two directors to the board of Existing Kryso. For so long as CNMIM holds 23% or more of the issued shares in the capital of Existing Kryso, it is able to nominate two persons to the Board, and for so long as they hold 10% or more (but less than 23%) they are entitled to nominate one person to such Board. Furthermore, for so long as CNMIM holds 23% or more of the issued shares in Existing Kryso, Existing Kryso is required to ensure that, in the event of an equality of votes at a board or committee meeting, the Non-Executive Chairman has a casting or second vote.

### **17. CNMIM Consent**

The Proposals will require the consent of Existing Kryso's largest shareholder, CNMIM, for the purposes of the CNMIM Loan Agreement and the CNMIM Subscription Agreement. Such consent will confirm that the CNMIM Subscription Agreement will terminate once the Scheme becomes Effective.

### **18. Related Party Transactions**

Details of related party transactions (which for these purposes are those of the kind set out in the Standards adopted according to the Regulation (EC) No. 1606/2002) entered into by the Kryso Group up to and including 31 December 2012, and in the period from 1 January 2013 up to the date of this document, are disclosed in the Public Record, primarily in Existing Kryso's published annual reports for each relevant period.

Save for the agreements and arrangements entered into between New Kryso and Existing Kryso and disclosed in this document, New Kryso has not entered into any related party transactions since incorporation.

### **19. Taxation**

#### UK Taxation

The following summary is intended as a general guide only and relates only to certain limited UK tax consequences of the Scheme for Existing Kryso Ordinary Shareholders and of holding and disposing of New Kryso Ordinary Shares. It is based on current UK tax law and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The summary applies only to Existing Kryso Ordinary Shareholders who are resident and, if individuals, domiciled in the UK for taxation purposes, who hold their Existing Kryso Ordinary Shares and New Kryso Ordinary Shares as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of their Existing Kryso Ordinary Shares and their New Kryso Ordinary Shares, who have not (and are not deemed to have) acquired their Existing Kryso Ordinary Shares or their New Kryso Ordinary Shares by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the Kryso Group. In addition, these comments may not apply to certain

classes of Existing Kryso Ordinary Shareholders such as dealers in securities, collective investment schemes and insurance companies.

**If you are in any doubt about your tax position, you should consult your own professional adviser without delay.**

*UK tax consequences of the Reduction of Capital and issue of New Kryso Ordinary Shares Capital gains tax and corporation tax on chargeable gains (CGT)*

For the purposes of UK CGT, the cancellation of the Existing Kryso Ordinary Shares and the issue of New Kryso Ordinary Shares should be treated as a scheme of reconstruction. UK resident Existing Kryso Ordinary Shareholders who do not hold (either alone or together with connected persons) more than 5% of, or of any class of, shares in or debentures of Existing Kryso should obtain (a form of) rollover relief in respect of the cancellation of their Existing Kryso Ordinary Shares and the issue to them of the New Kryso Ordinary Shares. This means that the New Kryso Ordinary Shares issued to an Existing Kryso Ordinary Shareholder should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as his Existing Kryso Ordinary Shares from which they are derived.

Existing Kryso Ordinary Shareholders who hold (alone, or together with connected persons) more than 5% of, or of any class of, shares in or debentures of Existing Kryso will be eligible for the above treatment only if the Scheme is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of a liability to capital gains tax or corporation tax. If these conditions are not met, then such an Existing Kryso Ordinary Shareholder will be treated as receiving New Kryso Ordinary Shares in consideration for the cancellation of his Existing Kryso Ordinary Shares and as having made a disposal of his Existing Kryso Ordinary Shares which may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for CGT purposes. No application has been made to HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 that these conditions will be met.

*UK stamp duty and stamp duty reserve tax (SDRT) consequences of the Scheme*

No stamp duty or SDRT will be payable by Existing Kryso Ordinary Shareholders as a result of the cancellation of Existing Kryso Ordinary Shares and issue of New Kryso Ordinary Shares under the Scheme.

*UK taxation consequences of disposing of New Kryso Ordinary Shares in the future*

A disposal of New Kryso Ordinary Shares by a UK tax resident New Kryso Ordinary Shareholder may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

A disposal of New Kryso Ordinary Shares by a New Kryso Ordinary Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the New Kryso Ordinary Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes. A New Kryso Ordinary Shareholder who is an individual and who is temporarily non-resident in the UK for a period of less than five complete tax years may, under anti-avoidance legislation, still be liable to UK taxation on their return to the UK on a chargeable gain realised on the disposal or part disposal of New Kryso Ordinary Shares during the period when he is non-resident. For corporate New Kryso Ordinary Shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of its New Kryso Ordinary Shares.

### *Transactions in securities*

Existing Kryso Ordinary Shareholders should not suffer a counter-acting tax assessment under the 'transactions in securities' rules under section 733 of the Corporation Tax Act 2010 in relation to corporation taxpayers and the provisions of Chapter I, Part 13 of the Income Tax Act 2007 in relation to income taxpayers by reference to the Scheme. However, no clearance has been sought from HMRC to the effect that the provisions of section 733 of the Corporation Tax Act 2010 and Chapter I, Part 13 of the Income Tax Act 2007 will not be applied.

### *UK stamp duty and SDRT on transfers of New Kryso Ordinary Shares*

In practice, UK stamp duty should generally not need to be paid on an instrument transferring New Kryso Ordinary Shares, provided that such transfer instruments are executed and retained outside of the UK.

UK SDRT is likely to be payable in respect of any agreement to transfer New Kryso Ordinary Shares represented by Depositary Interests, as it is unlikely that the required criteria of the Stamp Duty Reserve Tax (UK Depositary Interests In Foreign Securities) Regulations SI 1999/2383 will be met.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the New Kryso Ordinary Shares will not be registered in a register kept in the UK by or on behalf of New Kryso. New Kryso has confirmed that it does not intend to keep such a register in the UK – the register will be held by the Depositary in the Cayman Islands.

### *Individual Savings Accounts (ISAs)*

New Kryso Ordinary Shares will be not eligible to be held in the stocks and shares component of an ISA.

### *Inheritance Tax Business Property Relief*

Shares in holding companies of trading groups such as New Kryso potentially qualify for business property relief which gives up to 50% exemption from UK inheritance tax. For this relief to apply, the investor must control the company and it is therefore unlikely that this relief would apply to any investor.

### Cayman Taxation

New Kryso has applied for and is entitled to receive, an undertaking from the Governor in Council of the Cayman Islands under the Tax Concessions Law (as amended) that generally provides that no new Cayman Islands taxes will be applied to New Kryso for 20 years from the date of the undertaking. New Kryso should expect this undertaking to provide that for that 20 year period from the date of the undertaking:

- (a) no law enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to New Kryso or its operations; and
- (b) no withholding or other tax to be levied on profits, income, gains or appreciations or any estate duty or inheritance tax shall be payable by New Kryso or its members.

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to New Kryso levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands.

## **20. Marketing and Trading of New Kryso Ordinary Shares**

New Kryso will apply for all New Kryso Ordinary Shares to be admitted to trading on AIM.

As previously announced, Existing Kryso is not subject to the City Code (as confirmed by the Takeover Panel), as its place of central management and control is located outside the United Kingdom, the Channel Islands and the Isle of Man. Furthermore, New Kryso will not be subject to the City Code because it does not have a registered office located within the UK, the Channel Islands or the Isle of Man. This position will not change once the proposed amendments to the City Code come into force later this year.

## **21. The Kryso Group**

Details of the undertakings in which New Kryso will, on Admission, hold a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses are disclosed in the Public Record.

## **22. General**

The costs, charges and expenses payable by New Kryso in connection with or incidental to the Scheme and Admission, including registration and stock exchange fees, legal and accounting fees and expenses are estimated to amount to £210,000, excluding VAT.

Save as disclosed in this document, or as otherwise disclosed in the Public Record, no person (other than the Kryso Group's professional advisers disclosed in this document, and trade suppliers) has received, directly or indirectly, from the Kryso Group within the twelve months preceding the date of this document, or entered into contractual arrangements (not otherwise disclosed in this document or the Public Record) to receive, directly or indirectly, from the Kryso Group on or after Admission, any of the following:

- (a) fees totalling £10,000 or more;
- (b) securities in the Kryso Group with a value of £10,000 or more; or
- (c) any other benefit with a value of £10,000 or more at the date of this document.

Save as disclosed in this document or as otherwise disclosed in the Public Record, there has been no significant change in the Kryso Group's financial or trading position since the end of the financial period ended 31 December 2012.

The Directors are unaware of any exceptional factors which have influenced the Kryso Group's activities.

Save as disclosed in the Public Record, the Kryso Group is not dependent on patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to New Kryso's business.

Save as disclosed in the Public Record, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Kryso Group.

No paying agent has been appointed by New Kryso.

No Director nor any member of his immediate family nor any person connected with him (within the meaning set out in the New Kryso Articles) has a Related Financial Product (as defined in the AIM Rules) referenced to Existing Kryso Ordinary Shares.

Save as disclosed in this document or as otherwise disclosed in the Public Record, the Directors are unaware of any trends, uncertainties, demands, commitments or events since the end of the last financial year to the date of this document that are reasonably likely to have a material effect on the Kryso Group's prospects for the current financial year.

Save as disclosed in the Public Record and in this document, the Directors are not aware of any environmental issues that may affect the Kryso Group's utilisation of its tangible fixed assets.

Investec has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

Information equivalent to that required for an admission document which has not previously been made public is included in this document or is available on the Public Record.

### **23. Availability of Announcement**

The Announcement and the documents comprising the Public Record are available free of charge on the Kryso Group's website at [www.kryso.com](http://www.kryso.com) and on the London Stock Exchange's website at [www.londonstockexchange.co.uk](http://www.londonstockexchange.co.uk).

The following documents will remain available on New Kryso's website after Admission:

- (a) the Announcement;
- (b) the New Kryso Articles and the memorandum of association of New Kryso; and
- (c) Existing Kryso's published annual reports for the years ended 31 December 2010, 2011 and 2012.

24 June 2013