

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 as amended (or, if you are outside the United Kingdom, a person otherwise duly qualified in your jurisdiction) who specialises in advising on the acquisition of shares and other securities.**

If you have sold or transferred all of your Ordinary Shares, please pass this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document.

This document should be read in its entirety and, in particular, your attention is drawn to the section headed "Risk Factors" in Part 2 of this document. Your attention is also drawn to the letter from the Chairman, in Part 1 of this document, recommending you vote in favour of the Resolutions to be proposed at the General Meeting.

---

# **Weatherly International plc**

*(Registered in England and Wales with company number 03954224)*

**Placing of 111,666,721 new Ordinary Shares to raise £2.23 million (before expenses)**

**Authority to allot shares and disapply pre-emption rights**

**Notice of General Meeting**

---

Notice convening a General Meeting of the Company to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS, United Kingdom on 9 June 2015 at 2.00 p.m. is set out at the end of this document. Shareholders will also find enclosed with this document a Form of Proxy. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event not later than 2.00 p.m. on 5 June 2015.

Shareholders who hold their shares in uncertificated form may use the CREST electronic proxy appointment service. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be properly authenticated and completed, and contain the information required for such instructions as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent, Share Registrars (CREST ID: RA10) by 2.00 p.m. on 5 June 2015. The completion and posting of a Form of Proxy or the appointment of a proxy through CREST will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date hereof until the date of the General Meeting from the Company's registered office. Copies will also be available from the Company's website at [www.weatherlyplc.com](http://www.weatherlyplc.com).

# CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	3
PLACING STATISTICS	3
DEFINITIONS	4
PART 1 LETTER FROM THE CHAIRMAN	6
INTRODUCTION	6
OPERATIONS UPDATE	6
THE PLACING	9
USE OF PROCEEDS	9
FURTHER DETAILS OF THE LOGIMAN SUBSCRIPTION	9
FURTHER DETAILS OF THE ORION SUBSCRIPTION	10
MANAGEMENT AND BOARD CHANGES	10
SIGNIFICANT SHAREHOLDERS	10
GENERAL MEETING	11
ADMISSION	11
ACTION TO BE TAKEN IN RESPECT OF THE GENERAL MEETING	11
RESPONSIBILITY	12
RECOMMENDATION AND VOTING INTENTIONS	12
PART 2 RISK FACTORS	13
NOTICE OF GENERAL MEETING	16

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Dispatch of this document	20 May 2015
Admission of Placing Shares to trading on AIM	8.00 a.m. on 10 June 2015
Latest time and date for receipt of Form of Proxy or CREST Proxy Instruction	2.00 p.m. on 5 June 2015
General Meeting	2.00 p.m. on 9 June 2015

## PLACING STATISTICS

Placing Price of Placing Shares	2 pence
Number of Ordinary Shares in issue at the date of this document	949,136,471
Number of Placing Shares	111,666,721
Number of Ordinary Shares in issue immediately following Admission	1,060,803,192
Percentage of the Enlarged Share Capital represented by the Placing Shares	10.526 per cent.
Estimated cash proceeds of the Placing receivable by the Company (net of expenses)	£2.19 million
Approximate market capitalisation of the Company at Admission of the Placing Shares at the Placing Price	£21.2 million

**Notes:**

- (a) Unless otherwise specified, references in this document to time are to London time.
- (b) The £/\$ exchange rate used in this document is £1/\$1.575.

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“\$”	US dollars
“Admission”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM Rules”	the AIM Rules for Companies published by London Stock Exchange plc from time to time
“Board” or “Directors”	the directors of the Company whose names are set out on page 6 of this document
“Capita” or “Registrars”	Capita Asset Services, a trading name of Capita Registrars Limited
“Companies Act”	the UK Companies Act 2006 (as amended)
“Company” and “Weatherly”	Weatherly International plc (incorporated and registered in England and Wales with registered number 03954224) whose registered office is at 107-111 Fleet Street, London EC4A 2AB
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares securities in uncertificated form
“CREST Manual”	the rules governing the operation of CREST
“CREST member”	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)
“CREST Proxy Instruction”	the CREST message used for a proxy appointment or institution made using the CREST services
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any variation thereof
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Enlarged Share Capital”	the 1,060,803,192 Ordinary Shares in issue on Admission, as enlarged by the Placing Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Form of Proxy”	the form of proxy for use at the General Meeting, which is enclosed with this document
“General Meeting” and “GM”	the general meeting of the Company to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS on 9 June 2015 at 2.00 p.m., notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“Logiman”	Logiman CC
“Ordinary Shares”	the ordinary shares of 0.5 pence each in the share capital of the Company

<b>“Orion”</b>	Orion Mine Finance (Master) Fund I LP
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Letters
<b>“Placing Letters”</b>	the conditional placing letters dated on or about 6 May 2015 between the Company and the placees
<b>“Placing Price”</b>	2 pence per Placing Share
<b>“Placing Shares”</b>	111,666,721 new Ordinary Shares to be issued in connection with the Placing
<b>“Resolutions”</b>	the resolutions contained in the notice of General Meeting, which are set out at the end of this document
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Subscription Agreement”</b>	the subscription agreement dated 7 May 2015 between Orion and Weatherly

## PART 1

### LETTER FROM THE CHAIRMAN

# Weatherly International plc

(Registered in England and Wales company number 03954224)

*Directors:*

John Bryant (*Non-Executive Chairman*)  
Rod Webster (*Non-executive Director*)  
Wolf Martinick (*Non-executive Director*)  
Alan Stephens (*Non-executive Director*)  
Charilaos Stavrakis (*Non-Executive Director*)

*Registered Office:*

107-111 Fleet Street  
London  
EC4A 2AB

20 May 2015

Dear Shareholder,

#### Placing of new Ordinary Shares

#### Notice of General Meeting to grant authority to allot shares and disapply pre-emption rights

#### INTRODUCTION

I am writing to you to give notice of a General Meeting of the Company to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS on 9 June 2015 at 2.00 p.m., formal notice of which is set out at the end of this document.

On 8 May 2015 we announced an update on third quarter's trading (period ending March 2015), an equity subscription from Orion Mine Finance (Master) Fund I LP, management and board changes and the timetable for restoration of our trading to AIM. Subsequently at 7.30 a.m. on 11 May 2015, trading in the Company's shares on AIM was restored.

On 8 May 2015 the Company also announced that it had conditionally raised approximately £2.23 million (before expenses) from Orion, Logiman and certain other shareholders through the placing of 111,666,721 new Ordinary Shares. The Placing is conditional, *inter alia*, on Admission and is expected to settle on 10 June 2015 conditional, *inter alia*, on the passing of the Resolutions to be proposed at the General Meeting.

The purpose of this document is to explain the background to and reasons for the Placing and to convene the General Meeting.

#### OPERATIONS UPDATE

##### Operations Update – Tschudi

Production results for the third quarter of the financial year 2015

	<i>Quarter ended Sep-2014</i>	<i>Quarter ended Dec-2014</i>	<i>Quarter ended Mar-2015</i>
Total (Ore + Waste) Mined (000,t)	659	1,894	3,327
Ore Tonnes stacked (000,t)			460
Ore Stacked grade %			0.53
Copper Stripped (t)			(6 weeks only) 772

The Tschudi mine and plant became fully operational during the quarter. The crushing and stacking section was commissioned in January followed by the commencement of leaching which culminated in the first copper cathode being stripped on 16 February 2015.

An initial 80 tonnes of copper cathode was stripped in February increasing to 692 tonnes in the month of March. This further increased to 813 tonnes of copper cathode stripped in April.

No sales were recorded in the quarter as sufficient lots were required to be put together for bulk transportation. Following the quarter end, shipping of copper cathode commenced in April with 970 tonnes delivered during the month at a weighted average price of US\$5,731 per tonne copper. Cathode quality has consistently met London Metal Exchange requirements (for grade 1 cathode) of better than 99.99 per cent. copper from the outset.

As described in the Company's announcement of 18 March 2015, initial production from the uppermost part of the Tschudi orebody was negatively impacted by underestimation of the extent of a leached cap containing significant carbonate and clay content as well as partly refractory copper oxides. This resulted in lower and slower copper recoveries than anticipated, as well as higher than expected acid consumption in the heap leach. The Company has now undertaken considerable work to define the extent of this material and to optimise the processing strategy for it.

Management has confirmed that this material is confined to the western part of the deposit, within approximately 30 metres of the surface; and even within this zone, harder more competent rock types present fewer processing issues compared to the more clay rich units. Customary grade control activities in the open pit determine whether this material may be processed or stockpiled for later blending. In order to further understand how these start-up issues arose, Weatherly will conduct a review of the project's development history.

Mining in the western part of the orebody (pits 1 & 2) has already reached greater than 30 metres depth and with future mining progressing to the east (pit 3) so the impact of this problematic material on ongoing operations will be limited. The Company has undertaken a mining optimisation plan which includes accelerating mining during 2015 and 2016 to ensure a sufficient supply of ore to support the plant's designed level of copper output of 17,000 tonnes per annum (tpa). The additional mining volumes will increase the Company's operating costs during this period however management has been successful in negotiating a 7.5 per cent. discount to current rates on the additional mined volumes with the mining contractor, Basil Read.

Aside from the ore related issues in the heap leaching noted above, the processing plant, which was built both ahead of time and within the original feasibility budget, has performed to expectations since commissioning. Based on comprehensive commissioning trials prior to handover it is expected to comfortably accommodate production at the design capacity of 17,000tpa of cathode once there is sufficient material in the heap leach.

As a result of the issues detailed previously, the initial ramp up in production will continue to be constrained in the current quarter while the mining rate increases and the amount of stacked ore under leach reaches the required levels. The Company expects to achieve 70 per cent. of design capacity (1,000 tonnes per month (tpm)) in the third quarter of (CY) 2015 and design capacity (1,400tpm) by the last quarter of (CY) 2015. The revised target for the full (CY) 2015 is now 10,000 tonnes of cathode.

### **Operations Update – Central Operations**

Production results for the third quarter of the financial year 2015

	<i>Quarter ended Mar-2014</i>	<i>Quarter ended Jun-2014</i>	<i>Quarter ended Sep-2014</i>	<i>Quarter ended Dec-2014</i>	<i>Quarter ended Mar-2015</i>
Ore Treated (t)	61,309	78,431	89,654	75,512	70,788
Grade (%)	1.86	2.07	1.76	1.75	1.58
Recovery (%)	93.36	93.0	92.5	91.94	93.76
Copper concentrate (t)	4,424	6,122	6,028	5,146	4,434
Copper contained (t)	1,067	1,507	1,462	1,213	1,050

During the quarter, the Company produced 1,050 tonnes of copper at a cost of US\$7,763 per tonne. The company delivered 4,659 tonnes of concentrate (988 tonnes of copper) to metal trader Louis Dreyfus at a weighted average price of US\$5,910 per tonne copper (US\$ 2.68 per pound).

Central Operations has had a difficult first two months to the quarter during which time work concentrated on waste development to access the new working areas at Otjihase. While the Central Operations was loss-making for the quarter, March was break-even. Operational performance in April (487 tonnes of contained copper produced) has matched the March performance. Central Operations is expected to operate on a broadly break-even basis at these levels of production and at current copper prices.

The Company continues to look at ways in which Central Operations can be recapitalised in order to fully realise the potential of the underground mines and processing capability.

## **Financial**

The combination of factors affecting revenue during the ramp up period has put the Company at the limits of its available funding. The key factors were the copper price, the slow ramp up resulting from the technical issues detailed above and losses incurred by Central Operations in January and February.

As per the Company's announcement of 18 March 2015, the Company has now fully drawn down on Tranche B (US\$80 million) of its debt facility with Orion. The amortisation of Tranche B is scheduled to commence in November 2015. The Company has not drawn down on Tranche C (US\$8 million project overrun facility) and the Company's cash reserves have been used to fund the current working capital shortfall while discussions with Orion progressed. The Company's cash reserves were US\$6.3 million as at 31 March 2015.

While drawing down on Tranche C (a facility of US\$8 million in total) with Orion would in isolation have resolved the Company's immediate funding requirement at Tschudi, it was felt that, without an increase in copper price, such a drawdown would simply put further pressure on an already tight debt repayment schedule. Discussions between the Company and Orion have consequently led to agreement of an equity subscription from Orion. Whilst formally uncommitted at the current time, pricing of any advance with respect to Tranche C would be agreed between Orion and Weatherly at the time of such request. Weatherly currently understands that this would likely be at a material premium to the pricing of Tranche B which is at LIBOR (quarterly adjusting, subject to a minimum of 2%) plus a margin of 7% per annum.

In summary, the Company and Orion agreed that:

- Orion would subscribe for 171,889,461 ordinary shares (the "**Subscription Shares**") in the Company at a subscription price of 2p per ordinary share for approximately £3.44 million (being approximately US\$5.2 million), approximately 18.1 per cent. of the enlarged issued share capital of the Company following issue of the Subscription Shares;
- Orion committed to subscribe, subject to Weatherly shareholder consent, for a further US\$2.8 million of a subsequent equity subscription as part of the Placing which is set at the same price as the Subscription;
- under the Subscription Agreement, Orion Mine Finance have the right, for so long as they have not less than 10 per cent. of the Company's issued share capital, to nominate one director to the Board;
- Orion could, at its sole election, subscribe for a further US\$2.5 million in the Placing, at the Placing Price subject to the proviso that its shareholding will not exceed 29.9 per cent. of the Company's enlarged issued share capital; and
- the facility agreement would be amended for Tranche C to be made available at Orion's discretion; any Tranche C loan, if made, will provide for working capital support beyond the approximately US\$8 million equity committed above. Should the Placing not be approved by the Company's shareholders, then Weatherly will be required to obtain Orion's consent to drawdown equivalent sums under Tranche C and incur the servicing costs of this.



## **THE PLACING**

The Company has conditionally raised £2.23 million (before expenses) by way of a placing of 111,666,721 new Ordinary Shares pursuant to the Placing Letters. The Placing Shares have been conditionally placed with certain existing shareholders.

Orion has confirmed that it has elected to subscribe for 88,888,889 new Ordinary Shares in the Placing at a price of 2p per ordinary share for approximately £1.77 million (being approximately US\$2.8 million). This comprises US\$2.8 million which was firmly committed as per the announcement of 8 May 2015. Orion has elected not to subscribe for a further US\$2.5 million in the Placing.

Another of Weatherly's major shareholders, Logiman, has committed to subscribe for a further 16,527,832 ordinary shares at a price of 2p per ordinary share for approximately £0.33 million (being US\$0.5 million).

The Company has obtained subscription commitments from other existing shareholders for a further 6,250,000 ordinary shares at a price of 2p per ordinary share for approximately £0.13 million (being approximately US\$0.19 million) subject to shareholder approval.

The Placing is conditional upon, amongst other things, the passing of the Resolutions to be proposed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 30 June 2015.

The Placing Shares will be allotted and credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date of their allotment.

The Placing Price has been determined having regard to prevailing market conditions. Accordingly, the Directors consider that the Placing Price of the Placing Shares is fair and reasonable as far as Shareholders are concerned.

## **USE OF PROCEEDS**

Weatherly is now raising approximately £2.19 million (net of expenses) by way of the Placing. The net proceeds of the Placing will be used to fund the working capital requirements of Tschudi and the Group.

With the additional equity support from Orion and the further placees, as well as the Orion debt facilities, it is expected that Tschudi's and the Group's working capital requirements will be met through the ramping up of production. However, should copper prices deteriorate further or should there be any further delays to the Tschudi ramp-up, then there may be a requirement for further working capital by the Group. Management will continue to review the Group's financial situation and the level of debt service.

Should the Placing not be approved by the Company's shareholders, then Weatherly will be required to obtain Orion's consent to drawdown equivalent sums under Tranche C and incur the servicing costs of this.

## **FURTHER DETAILS OF THE LOGIMAN SUBSCRIPTION**

Under the Logiman Subscription Letter, Logiman will, for so long as they have not less than 10 per cent. of the Company's issued share capital, have the right to nominate one director to the board of directors of the Company. Logiman have also been granted a contractual pre-emptive right to enable Logiman to maintain their percentage interest in the issued share capital of the Company irrespective of future placings and other non-pre-emptive share issues by the Company (subject to the exercise of such right at the price at which such future share issue may be effected).

As set out in the announcement on 8 May 2015, the participation of Logiman in the proposed placing of 16,527,832 new Ordinary Shares constitutes a related party transaction under the AIM Rules for Companies by virtue of Logiman being a substantial shareholder in the Company. The Directors, having consulted with RFC Ambrian, its nominated adviser, that the terms of the Logiman subscription are fair and reasonable in so far as its shareholders are concerned.

## FURTHER DETAILS OF THE ORION SUBSCRIPTION

Under the Subscription Agreement, Orion has made an initial subscription of 171,889,461 ordinary shares in the Company at a subscription price of 2p per ordinary share for approximately £3.44 million (being approximately US\$5.2 million). These shares were admitted to trading on 8 May 2015 and the Company is in receipt of the funds.

Under the Subscription Agreement, Orion will, for so long as they have not less than 10 per cent. of the Company's issued share capital, have the right to nominate one director to the board of directors of the Company. As a consequence of the initial subscription, Orion now holds over 10 per cent. of the Company's issued share capital and intends to take up its right to nominate a director.

## MANAGEMENT AND BOARD CHANGES

As previously announced Rod Webster will be retiring as CEO of the company effective 30 June 2015 and returning to Australia. He will continue to work with the Company as a non-executive director as Tschudi builds to its full operational performance during 2015 and in a development role.

Craig Thomas, currently COO, will be appointed Chief Executive Officer and will take up his CEO duties when Mr Webster retires. Craig is a mining engineer with over 25 years of operational experience in Australia, Botswana and Papua New Guinea. During this time he has played key leadership roles in the development, start-up and management of several underground and open pit mines. He has been with the company for five years and will continue to be based in Namibia.

The Company has recently appointed Jason Keily as General Manager Central Operations. Jason is a mining engineer, Graduate of the University of South Australia with over 25 years' experience in the industry including roles as general manager of copper mines in Australia and consulting in New Guinea. An appointment will be made shortly for a General Manager at Tschudi, where the senior operational management team is fully in place.

It is Orion's and Logiman's intention to take up their rights (as set out above) to each nominate a director to the Board.

## SIGNIFICANT SHAREHOLDERS

Insofar as has been notified to the Company, the following persons hold, as at the date of this document, and are expected to hold immediately following Admission, directly or indirectly, 3 per cent. or more of the Enlarged Share Capital:

	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>No. of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Orion	171,889,461	18.1	260,778,350	24.6
Logiman	104,387,000	11.0	120,914,832	11.4
Legal & General Group Plc (Direct and Indirect)	100,150,877	10.6	100,150,877	9.4
Polo Resources plc	54,852,859	5.8	54,852,859	5.2
Christopher Chambers	36,000,000	3.8	41,000,000	3.9
Majedie Asset Management	29,192,561	3.1	29,192,561	2.8

## **GENERAL MEETING**

You will find at the end of this document a notice convening the General Meeting to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS on 9 June 2015 at 2.00 p.m. to consider and if thought fit pass the following Resolutions to authorise the Directors:

1. to allot shares or grant rights to subscribe for or to convert any security into shares pursuant to section 551 of the Companies Act up to an aggregate nominal amount of £5,862,349.61 comprising: (a) up to an aggregate nominal value of £558,333.61 in connection with the Placing; and (b) otherwise than in connection with the Placing, up to an aggregate nominal value equal to £5,304,016 being approximately one third of the aggregate nominal amount of the Company's issued share capital immediately following the Placing, assuming that the Placing Shares are issued;
2. to allot such shares or grant such rights in connection with the Placing in the aggregate nominal amount of £558,333.61 free of the statutory pre-emption rights contained in section 561(1) of the Companies Act; and
3. to allot such shares or grant such rights otherwise than in connection with the Placing up to an aggregate nominal amount of £530,402 being approximately 10 per cent. of the aggregate nominal amount of the Company's issued share capital immediately following the Placing, assuming that the Placing Shares are issued, free of the statutory pre-emption rights contained in section 561(1) of the Companies Act.

These Resolutions serve to effect the Placing as well as authorising the Directors to issue up to 10% of the Enlarged Share Capital for cash on a non-pre-emptive basis without requiring further Shareholder approval. In relation to Resolution 3, it is noted that there is no current intention to use the Directors' authority to be granted under that Resolution.

Resolution 1 will be proposed as an ordinary resolution and will therefore require the approval of a majority of Shareholders voting in person or by proxy at the General Meeting.

Resolutions 2 and 3 will be proposed as special resolutions and will therefore each require the approval of not less than 75 per cent. of Shareholders voting in person or by proxy at the General Meeting.

## **ADMISSION**

Application will be made to London Stock Exchange plc for the Placing Shares to be admitted to trading on AIM. It is expected that subject to the passing of the Resolutions at the General Meeting, Admission will become effective and that dealings will commence in the Placing Shares at 8.00 a.m. on 10 June 2015.

Following Admission of the Placing Shares, the Company's issued share capital admitted to trading will consist of 1,060,803,192 ordinary shares of 0.5 pence each in the capital of the Company. The Company does not hold any ordinary shares in treasury. The total number of voting rights in the Company will be 1,060,803,192 and this figure may be used by shareholders (and others with notification obligations) as the denominator for the calculations by which they will determine whether they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure and Transparency Rules.

## **ACTION TO BE TAKEN IN RESPECT OF THE GENERAL MEETING**

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event not later than 2.00 p.m. on 5 June 2015 or 48 hours before any adjournment of the General Meeting.

If you hold Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Share Registrars so that it is received by no later than 2.00 p.m. on 5 June 2015. If you

complete and return a Form of Proxy or appoint a proxy via CREST, you may still attend and vote at the General Meeting in person should you decide to do so.

Please read the detailed notes to the notice of General Meeting at the end of this document and the Form of Proxy. The attention of Shareholders is also drawn to the voting intentions of the Directors set out below.

## **RESPONSIBILITY**

The Company and the Directors accept responsibility for the information contained in this circular. To the best of the knowledge and belief of the Company and the Directors (which has and who have taken all reasonable care to ensure that such is the case) the information contained in this circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information

## **RECOMMENDATION AND VOTING INTENTIONS**

The Directors believe that the Placing and the authority sought to issue up to 10% of the Enlarged Share Capital for cash on a non-pre-emptive basis will promote the success of the Company for the benefit of the members as a whole and accordingly they unanimously recommend you to vote in favour of the Resolutions to be proposed at the General Meeting. In relation to Resolution 3, the Directors have no current intention to use the authority to be granted under that Resolution.

The Directors have undertaken to vote in favour of the Resolutions in respect of a total of 53,715,732 Ordinary Shares, in which they control voting rights, representing 5.7% of the issued share capital of the Company. In addition, Orion, Logiman, Christopher Chambers and El Oro Ltd, who together hold an aggregate of 315,976,461 Ordinary Shares have undertaken to vote in favour of the Resolutions. Accordingly, voting undertakings in respect of 369,692,193 Ordinary Shares have been received to vote in favour of the Resolutions, equivalent to 39.0% of the voting rights which may be exercised.

**Shareholders are reminded that the Placing is conditional, among other things, on the passing of the Resolutions to be proposed at the General Meeting. Should the Resolutions not be passed the Placing will not proceed and all subscription monies will be returned to investors.**

Yours sincerely

**John Bryant**  
*Chairman*

## PART 2

### RISK FACTORS

Shareholders should carefully consider all of the information in this document including the risks below. The Board has identified these risks as material risks, but additional risks and uncertainties not presently known to the Board, or that the Board considers immaterial, may also adversely affect the Group. If any or a combination of the following risks materialise, the business, financial condition and/or performance of the Group could be materially adversely affected. In any such case the market price of the Ordinary Shares could decline.

The following risk factors should not be considered in any order of priority. The Group's future performance might be affected by changes in market conditions and legal, regulatory and tax requirements.

#### *Copper price*

Copper price fluctuations could have a material adverse effect on the Company's profitability. There can be no guarantee that the Company would be able to compensate for, or hedge against, such adverse effects and, therefore adverse copper price movements could have a material adverse effect on the Company's business, results of operations and/or financial condition.

#### *Currency fluctuations*

As the Company's revenue streams may come from abroad, exchange rate fluctuations could have a material adverse effect on the Company's profitability or the price competitiveness of its products. There can be no guarantee that the Company would be able to compensate for, or hedge against, such adverse effects and, therefore adverse rate movements could have a material adverse effect on the Company's business, results of operations and/or financial condition.

#### *Leach times and metallurgical recovery*

While the Company has performed studies on the leach times and metallurgical recovery rates of the ore at the Tschudi mine and has actual results for the period after commissioning the plant, it is possible that for parts of the ore body actual copper recovered rates achieved and times to achieve them will be lower than expected. This would result in either reduced income or a delay in income received or both, possibly materially adversely affecting the results of operations and/or financial condition.

#### *Production estimates*

The Company cannot give any assurance that it will achieve its production estimates. The failure of the Company to achieve its production estimates could have a material and adverse effect on any or all of its future cash flows, results of operations and financial condition. These production estimates will be dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining and processing. The Company's actual production may also vary from its estimates for a variety of reasons, including, adverse operating conditions (such as unexpected geological conditions, fire, weather, accidents), compliance with governmental requirements, labour and safety issues, delays in installing or repairing plant and equipment, inability to complete, or lack of success of, capital development and exploration drilling.

#### *Ore grade*

While the Company has drilled and tested the ore body to a JORC standard and modelled the ore body there is no guarantee that the ore body conforms exactly to the model and the grades mined could be lower than expected either overall or on start up. This would result in reduced income possibly materially adversely affecting the results of operations and/or financial condition.

### ***Commissioning and breakdown of equipment***

There is a risk that plant and equipment currently being constructed experiences problems during the commissioning stage due to unforeseen design or technical issues, power outages, or construction failures. Examples would be the crushers, solvent extraction-electrowinning (SX/EW) plant, the main step down transformer or the heap leach pads. Any such problems could cause delays in production which could possibly materially adversely affect the results of operations and/or the financial condition of the Company. Post commissioning breakdowns in key equipment like the crushers or the main step down transformer could cause similar delays although this can be mitigated by the Company carrying out preventative maintenance, keeping key spare parts and having the ability to hire replacement equipment on a temporary basis.

### ***Force majeure***

The economics of the Company's projects may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities, sabotage, fires, floods, acts of God, explosions or other catastrophes or epidemics.

### ***Uninsured risks***

Although the Company proposed to maintain insurance which the Directors consider to be appropriate, there may be circumstances where the Company's insurance will not cover or be adequate to cover the consequences of certain events. Moreover, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates the Directors consider reasonable. Thus, the Company may become subject to liability for hazards which cannot be insured against or against which it may elect not to be insured because of high premium costs or other commercial reasons. There can be no assurance that the Company will be able to obtain insurance at reasonable rates (or at all) or that any coverage it obtains will be adequate and available to cover any such claims.

### ***Additional financing and future issues of shares may result in immediate dilution***

The Company may require further financing in addition to amounts proposed to be raised in the Placing. Any additional equity financing may be dilutive to Shareholders. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Placing. In addition, the issue of additional Shares by the Company, or the possibility of such issue or exercise, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price.

Any debt financing, if available, may involve restrictions on other forms of financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be forced to reduce the scope of its operations, or ultimately cease to trade.

### ***Changes in operating costs***

Changes in the Company's operating costs are likely to have a significant impact on its profitability. Its main planned production expenses will be mining contracting costs, transport costs, treatment costs and overheads. Changes in costs of the Company's mining and processing operations can occur as a result of unforeseen events and could result in changes in profitability or resource estimates, including rendering certain mineral resources uneconomic to mine. Many of these changes may be beyond the Company's control.

### ***Risks relating to key personnel***

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management and technical personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

### ***Litigation***

While the Company currently has no material outstanding litigation or dispute not already disclosed, there can be no guarantee that the current or future actions of the Company will not result in litigation since there have been a number of cases where the rights and privileges of mining companies have been the subject of litigation. The mining industry, as with all industries, may be subject to legal claims, both with and without merit, from time to time. The Directors cannot preclude that such litigation may be brought against the Company in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's financial position, results or operations. The Company's business may be materially adversely affected if the Company and/or its employees or agents are found not to have met the appropriate standard of care or not exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

### ***Reliance on third party contractors***

The Company is reliant on Basil Read, a large, experienced South African operator, as the mining contractor for Tschudi. In addition, the Company is reliant on other third party service providers and suppliers to provide equipment, infrastructure and raw materials required for the Company's business and operations and there can be no assurance that such parties will be able to provide such services in the time scale and at the cost anticipated by the Company.

The unavailability of, or increased costs incurred to obtain, such services and equipment could result in a delay or restriction in the Company's projects and adversely affect the feasibility and profitability of the projects and therefore have an adverse effect on the Company's business, financial condition, results of operations and prospects.

## NOTICE OF GENERAL MEETING

# Weatherly International plc

*(Registered in England and Wales company number 03954224)*

Notice is hereby given that a General Meeting of Weatherly International plc (the “**Company**”) will be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS on 9 June 2015 at 2.00 p.m. to consider and, if thought fit, pass the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolutions 2 and 3 as special resolutions:

### ORDINARY RESOLUTION

1. THAT the directors of the Company (the “**Directors**”) be and are hereby authorised generally and unconditionally pursuant to and for the purposes of Section 551 of the Companies Act 2006 (the “**Act**”) to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £5,862,349.61 comprising:
  - (a) up to an aggregate nominal value of £ 558,333.61 in connection with the placing of the Company’s ordinary shares of 0.5p each to certain institutional and other investors at a price of 2 pence per share (the “**Placing**”); and
  - (b) otherwise than in connection with the Placing, up to an aggregate nominal value of £5,304,016 (being approximately one third of the aggregate nominal amount of the Company’s issued share capital immediately following the Placing, assuming that the maximum number of shares are issued pursuant to the Placing),

provided that this authority shall expire at the conclusion of the Company’s annual general meeting to be held in 2015, save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

2. THAT, conditional on the passing of Resolution 1 above, the Directors be and are hereby generally empowered pursuant to Section 571 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to an aggregate nominal amount of £558,333.61 in connection with the Placing and such authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2015, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

### SPECIAL RESOLUTION

3. THAT, conditional on the passing of Resolutions 1 and 2 above, the Directors be and are hereby generally empowered pursuant to Section 571 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment, this power shall be limited to an aggregate nominal amount of £530,402 (being approximately 10 per cent. of the aggregate nominal amount of the Company’s issued share capital immediately following the Placing, assuming that the maximum number of shares are issued pursuant to the Placing), and such authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2015, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities



to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

**Kevin Ellis**

*Secretary*

Dated: 20 May 2015

*Registered Office:*

107-111 Fleet Street

London EC4A 2AB

**Notes:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not be a member of the Company. Completion and return of a Form of Proxy (or any CREST Proxy Instruction, as described in notes 7 to 9) will not preclude a member from attending and voting at the General Meeting should the member so decide. A pre-paid form of proxy accompanies this notice. If you wish to appoint multiple proxies please photocopy the Form of Proxy, fill in each copy in respect of different shares and send the multiple forms together to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Alternatively you may appoint multiple proxies by CREST Proxy Instruction.
2. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a proxy other than the Chairman of the meeting, cross out the words "the Chairman of the meeting" on the Form of Proxy and write the full name and address of your proxy on the dotted line. The change should be initialled.
3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolution and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the resolution) which may properly come before the meeting.
4. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of the other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.
5. To be effective, the enclosed Form of Proxy must be duly completed and deposited together with any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) and lodged at the offices of the Company's registrars no later than 2.00 p.m. on 5 June 2015 or 48 hours before the time of the General Meeting excluding non-business days. Please note that the pre-paid address printed on the reverse of the Form of Proxy is only for use if you are posting from within the United Kingdom.
6. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting in person at the meeting.
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent (ID RA10) by 2.00 p.m. on 5 June 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and paragraph 18(c) The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, specifies that only those members entered on the register of members of the Company at 2.00 p.m. UK time on 5 June 2015 shall be entitled to attend and vote at the meeting or, if the meeting is adjourned, 2.00 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the meeting.



