



PALLINGHURST
RESOURCES

Pallinghurst Resources (Guernsey) Limited

P R O S P E C T U S

5 September 2007

STRUCTURAL FACILITATOR AND INVESTMENT BANK:
Investec Bank Limited

ADMINISTRATOR:
Legis Fund Services Limited

LISTING SPONSOR:
Reid Listing Services Limited

The definitions contained in the section headed "Definitions" in this Prospectus have been used in the paragraphs below.

This Prospectus is important. You are advised to consult your broker, lawyer, bank manager, or other professional adviser, who specialises in advising on the acquisition of shares and other securities before participating in the Offer. An investment in the Shares involves above average risk and your attention is drawn to the section headed "Risk Factors" in this Prospectus. An investment in the Shares is only suitable for Sophisticated Investors who are in a position to understand the nature of the risks involved, take such risks and satisfy themselves that such investment is suitable for them.

Prospective Investors are advised to obtain independent legal, tax, accounting, investment and other relevant advice when contemplating any investment in the Shares.

This Prospectus includes particulars given in compliance with the Listing Regulations of the Bermuda Stock Exchange for the purpose of providing information in relation to the Offer and the Company. The Directors, collectively, and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which, would make any statement herein misleading.

The Bermuda Stock Exchange takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

IMPORTANT DATES AND TIMES

Description	Date
Offer opens 09:00am Guernsey time (10:00am South African time)	Tuesday, 11 September 2007
Initial Closing Date 11:00am Guernsey time (12:00pm South African time)	Friday, 14 September 2007 or such other date, not being later than 31 October 2007, as the Directors may decide
Last date for notification of allocation of Shares to Investors	Friday, 14 September 2007
Settlement Date	Wednesday, 19 September 2007
Anticipated listing of the Shares on the Bermuda Stock Exchange	Thursday, 20 September 2007

The above dates and times are indicative and subject to amendment. Any amendment will be notified to prospective Investors by the Structural Facilitator and Investment Bank and/or the Distributor(s).

PREAMBLE

The definitions contained in the section headed "Definitions" in this Prospectus have been used in the following Preamble.

OFFER FOR SUBSCRIPTION OF SHARES

The Company is incorporated in Guernsey as a company limited by shares on 4 September 2007 under the provisions of the Companies (Guernsey) Law 1994, as amended and having an authorised share capital of USD 10,000 consisting of 999,000 Shares of USD 0.01 each and 10 Management Shares of USD 1.00 each. Shares in the Offer will be issued with a premium of USD 999.99, at the Offer Price of USD 1,000 per Share.

The distribution of this Prospectus in certain jurisdictions may be restricted, and accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, any such restrictions.

This Prospectus does not constitute, and may not be used for the purposes of the Offer or solicitation by any person in any jurisdiction (i) in which the Offer or solicitation is not authorised or (ii) in which the person soliciting the Offer is not qualified to do so or (iii) knowingly, to any person to whom it is unlawful to solicit the Offer.

The Company is a registered investment company pursuant to the framework introduced by the Guidance Document.

Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinance, 1959 as amended has been obtained for this Prospectus. To receive such consent, application was made under the framework introduced by the Guidance Document. Under this framework neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council have reviewed this Prospectus but instead have relied on specific warranties provided by the Administrator of the Company. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The Administrator shall comply with the relevant money laundering guidelines applicable in Guernsey from time to time including the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 and associated regulations.

It is important to note that the Company's actual results or activities or actual events or conditions could differ materially from those suggested by any information contained in this Prospectus, due to a variety of factors, some of which may be beyond the control of the Company. See the section headed "Risk Factors" in this Prospectus for certain factors which could cause the Company's actual results or activities or actual events or conditions to differ from those anticipated. Although estimates and assumptions concerning potential Investments are believed by the Directors to be reasonable, such estimates and assumptions are uncertain and unpredictable. To the extent that actual events differ materially from the Directors' assumptions and estimates, actual results will differ from those anticipated.

It should be remembered that the price of the Shares, and the returns to be derived therefrom, may rise as well as fall and that by the Redemption Date, Investors may not have received the amount that they initially invested. See the section headed "Risk Factors" in this Prospectus for certain factors which could cause the returns from the Shares to differ from those anticipated. In addition, the Directors believe that due to the relatively illiquid nature of the Company's potential Investments, which shall include, but shall not be limited to, the acquisition and disposal of ordinary shares, preference shares, debentures, loan stocks, other securities, options and warrants of and in listed and in unlisted companies and/or other vehicles focused in the global natural resources sector and in the Approved Investment, Investors should have a medium to long-term investment horizon to potentially generate positive returns from their investment in the Shares.

Prospective Investors interested in investing in the Shares should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for acquiring, holding, disposing or the redemption of the Shares;
- (b) any foreign exchange restriction or exchange control requirements which they might encounter on acquiring, holding, disposing or the redemption of the Shares; and
- (c) The taxation consequences which may be relevant to acquiring, holding, disposing or the redemption of the Shares.

Copies of this Prospectus and the Application Form, attached hereto, may be obtained from the Administrator or any Distributor.

ADMINISTRATOR

Legis Fund Services Limited at the registered address as set out in the section headed "Corporate Information" in this Prospectus.

DISTRIBUTOR(S)

Contact details of the Distributor(s) shall be provided by the Administrator on request.

Application Forms from prospective Investors wishing to subscribe for Shares must be received by Investec by no later than 11:00am Guernsey time (12:00pm South African time) on the Initial Closing Date, in accordance with the procedures described more fully under the section headed "The Offer and Procedure for Application" in this Prospectus. Investec will notify prospective Investors of their allocation, if any, by no later than the close of business on the Initial Closing Date. Payment for Shares must be received in full by no later than 11:00am Guernsey time (12:00pm South African time) on the Settlement Date.

The Offer is subject to a minimum of 50,000 Shares being subscribed for, in aggregate, by prospective Investors in the Company, failing which the Offer shall lapse. In the event of the Offer lapsing, all subscription amounts already received by the Company shall be returned to the relevant Investors by electronic funds transfer into the bank account specified by the Investors in the Application Forms, without interest.

Neither the delivery of this Prospectus nor any application made in connection herewith shall, under any circumstances, constitute a representation or create any implication that the information herein is correct as of any time subsequent to the date hereof.

Although application will be made for the Shares to be listed on the Bermuda Stock Exchange, this does not imply a commitment by any member firm of the Bermuda Stock Exchange to make a market in the Shares. In view of the specialised nature of the Company, it is unlikely that third parties will make an active market in the Shares. The Company undertakes, subject to the receipt of the requisite regulatory approvals, to list its Shares on the JSE within the 12 month period following the Initial Closing Date. In the event of a listing on the JSE, a copy of this Prospectus will be filed in South Africa.

No person receiving a copy of this Prospectus in any territory may treat the same as constituting an invitation to him to purchase or to subscribe for Shares, unless in the relevant territory such an invitation could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Prospectus are not to be construed as a recommendation or advice to any prospective Investor in relation to the subscription, acquisition, holding, disposal or the redemption of the Shares and prospective Investors should consult their professional advisers accordingly.

The Directors particularly draw prospective Investors' attention to the following restrictions:

UNITED STATES OF AMERICA

The Shares have not been registered under the 1933 Act, nor has the Company been registered under the United States Investment Company Act of 1940, or any state law. Except in a transaction which does not violate such acts, the Shares may not be directly or indirectly offered, sold or delivered in the United States (as defined in Regulation S under the 1933 Act) for the account of any US person (as defined in Regulation S under the 1933 Act), to any person purchasing the Shares for re-offer, delivery or transfer in the United States, or to any US person as part of the distribution of such Shares. The Shares may not be acquired by any person subject to the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended.

UNITED KINGDOM

The distributor of this Prospectus in the UK is Investec Bank (UK) Limited. Investec Bank (UK) Limited is authorised and regulated by the UK Financial Services Authority and is a member of the London Stock Exchange, with its registered office at 2 Gresham Street, London, EC2V 7QP (Registration number 489604).

Investec Bank (UK) Limited is acting as introducer to the Company and is neither arranging, nor providing advice (including specific tax advice) in relation to the Shares.

This Prospectus has not been prepared in accordance with Directive 2003/71/EC on prospectuses or any measures made under that Directive, or the laws of the UK and has not been reviewed or approved by the UK Financial Services Authority.

This Prospectus relates to an investment in an offshore company. Prospective Investors should therefore be aware that the Company is not authorised, supervised or regulated by the UK Financial Services Authority and the rules made under the UK Financial Services and Markets Act 2000, including access to the Financial Services Compensation Scheme, do not apply.

BERMUDA

There is no intention to market the Shares to residents of Bermuda.

GUERNSEY

The Shares are not offered directly by the Company to the public (meaning any person in Guernsey not regulated under any of Guernsey's financial services regulatory laws) within the Bailiwick of Guernsey.

GENERAL

The Articles give powers to the Directors to require the transfer or compulsory repurchase of Shares in a number of specified circumstances as set out in Annexure 2 headed "Extracts from the Articles – Compulsory Transfer or Repurchase of Shares" in this Prospectus.

Any information provided or representation made, by any dealer, salesman or other person which is not contained in this Prospectus (or any document expressed to be an addendum or supplement to this Prospectus) or any accompanying report(s) should be regarded as unauthorised and should accordingly not be relied upon.

All Investors are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles, copies of which can be obtained from the Administrator.

Date: 5 September 2007

FACT SHEET

The definitions contained in the section headed "Definitions" in this Prospectus have been used in the following Fact Sheet, which is presented only as a summary of the Offer and the Company's key terms, and is qualified in its entirety by the more detailed sections that follow in this Prospectus.

Investment Objective	To develop and execute a number of investment opportunities in the global natural resources sector and in the Approved Investment during the Investment Period, the principal objective of which is to create value for Investors;
Investment Term	Up to 10 years from the Initial Closing Date, unless extended by the requisite resolution by Investors in general meeting;
Investment Period	Up to 5 years following the Initial Closing Date;
Targeted Company's Funds on the Initial Closing Date	USD 300 million;
Initial Closing Date	14 September 2007 or such other date, not being later than 31 October 2007, as the Directors may decide;
Maximum gearing	30% of the value of the Company's assets;
Base currency	United States Dollars;
Domicile	Guernsey;
Initial Stock Exchange listing	Bermuda Stock Exchange;
Limitation on prospective Investors	Sophisticated Investors;
Potential risk	Medium to high;
Minimum subscription per Investor	USD 300,000;
Offer Price	USD 1,000 per Share;
Investment Manager	Pallinghurst (Cayman) GP L.P.;
Annual Investment Manager's Benefit	1.5% per annum, as more fully described in the section headed "Expenses, Fees and Investment Manager's Benefits" in this Prospectus;
Performance Incentive of the Investment Manager	20% above the Hurdle, as more fully described in the section headed "Expenses, Fees and Investment Manager's Benefits" in this Prospectus;
Structural Facilitator and Investment Bank	Investec Bank Limited;
Structural Facilitator and Investment Bank Fee	Up to 2% of the Company's Funds;
Administrator	Legis Fund Services Limited;
Auditor	Saffery Champness;

Tax Adviser	KPMG LLP;
Independent Valuer	KPMG LLP;
Listing Sponsor	Reid Listing Services Limited;
Annual Sponsor	First Bermuda Group Limited;
Broker	First Bermuda Group Limited; and
Distributor's fee	A discretionary fee of an amount of up to 0.25% (plus VAT where applicable) of the aggregate amount of Shares subscribed for by an Investor.

CONTENTS

Section	Page
Important Dates and Times	1
Preamble	2
Fact Sheet	5
Definitions	8
Investment Strategy	16
Corporate Information	19
Directors, Investment Manager and Administration	20
The Offer and Procedure for Application	24
Sale Arrangements and Redemptions	26
Expenses, Fees and Investment Manager's Benefits	29
Conflicts of Interest	31
Taxation	32
Risk Factors	34
General Information	39
Annexures	
Annexure 1 – Directors' Interests	44
Annexure 2 – Extracts from the Articles	48
Annexure 3 – Material Contracts	54
Application Form	Attached

DEFINITIONS

In this Prospectus and the Annexures hereto, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender includes the other gender; expressions denoting natural persons include juristic persons and *vice versa*, and the words in the first column below have the meanings assigned to them in the second column:

- “Abort Costs”** means the aggregate amount of costs and expenses (including for the avoidance of doubt travel expenses) or; if investing together with any strategic equity partners, the *pro rata* share of such costs and expenses, in connection with proposals for potential Investments pursued by the Company which do not proceed to completion;
- “Accounting Date”** means 31 December 2007 and 31 December each year thereafter or the date on which the Company is wound up;
- “Accounting Period”** means a period commencing on the incorporation of the Company or on the day following the preceding Accounting Date and ending on and including the next Accounting Date;
- “Acquisition Cost”** means the aggregate of all acquisition costs of an Investment together with any duties (including, without limitation, stamp duties), fees, costs and expenses (including, for the avoidance of doubt, travel expenses) related to such Investment, including finance charges (if any), payable by the Company or; if investing together with any strategic equity partners, the Company’s *pro rata* share of such duties, fees, costs and expenses;
- “Adhoc Expenses”** means all costs and expenses reasonably incurred in the conduct of the business of the Company including, but not limited to:
- (a) legal fees and litigation costs;
 - (b) taxes, duties, penalties and government charges;
 - (c) external consultant fees;
 - (d) the Company’s *pro rata* share (if any) of any costs associated with an Investment, including Acquisition, Disposal and Abort Costs; and
 - (e) payments under the indemnity provisions as set out in the section headed “General Information – Indemnities” in this Prospectus,
- but excluding, for the avoidance of doubt, the Annual Operating Expenses;
- “Administrator”** means such administrator of international repute as may be selected by the Directors to be the administrator of the Company, initially being Legis Fund Services Limited;
- “Aggregate Proceeds”** means the aggregate cash proceeds received by the Company from the Realisation of Investments (net of any Disposal Costs) and all income less expenses, losses of or other charges against the Company that do not arise from the Realisation of Investments plus any of the Company’s Funds not used for Investments or set aside to fund the Company’s Expenses during the Investment Term;
- “Annual Investment Manager’s Benefit”** means the annual benefit to be received by the Investment Manager, as described in the section headed “Expenses, Fees and Investment Manager’s Benefits”;

“Annual Operating Expenses”	<p>means all costs and expenses reasonably incurred by the Company including, but not limited to:</p> <ul style="list-style-type: none"> (a) Administrator's fees; (b) printing and distribution expenses; (c) Auditor's fees; (d) costs of providing directors and officers insurance to the Directors for their services in relation to the Company; (e) Independent Valuer(s) fees; (f) tax and regulatory certificates; (g) regulatory fees; (h) Annual Sponsor and Broker and listing fees; (i) public relation fees; and (j) bank charges, <p>but excluding, for the avoidance of doubt, the Annual Investment Manager's Benefit, Abort Costs and Acquisition Costs;</p>
“Annual Sponsor”	<p>means such sponsor of international repute as may be selected by the Directors to be the annual sponsor of the Company, initially being First Bermuda Group Limited;</p>
“Application Form”	<p>means the form of application attached to and forming part of this Prospectus, which prospective Investors are required to complete and return, in accordance with the instructions contained therein, so as to participate in the Offer;</p>
“Approved Investment”	<p>means the acquisition of a minimum of 20% of the ordinary shares in Fabergé Limited, being an unconditional Investment opportunity that has been identified, sourced and recommended by the Investment Manager to the Directors for Investment;</p>
“Articles”	<p>means the Articles of Association of the Company as amended or replaced from time to time;</p>
“Associate”	<p>means with respect to any specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified. For the purposes of this definition, the term “control” and the consequences thereof, means:</p> <ul style="list-style-type: none"> (a) the direct or indirect ownership of in excess of 50% of the equity interests (or interests convertible into or otherwise exchangeable for equity interests) in a Person, or (b) the possession of the direct or indirect right to vote in excess of 50% of the voting interest or to elect in excess of 50% of the board of directors or other governing body of a Person (whether by equity ownership, contract or otherwise);
“Auditors”	<p>means such auditors of international repute as may be selected by the Directors to be the auditors of the Company, initially being Saffery Champness;</p>
“Broker”	<p>means such broker of international repute as may be selected by the Directors to be the broker of the Company, initially being First Bermuda Group Limited;</p>
“Business Day”	<p>means any day other than a Saturday, Sunday or public holiday on which banks are normally open for the conduct of ordinary non-automated business in Guernsey;</p>

“Cause”	means: (a) fraud; or (b) wilful misconduct; or (c) gross negligence; or (d) bad faith; or (e) reckless disregard for a person’s obligations and duties, which, in each case, has a material effect on the Company and/or its Investors;
“Company”	means Pallinghurst Resources (Guernsey) Limited, a company incorporated in Guernsey;
“Company’s Expenses”	means all the expenses incurred by the Company including, but not limited to, the Formation Expenses, Annual Operating Expenses, Adhoc Expenses and Annual Investment Manager’s Benefit;
“Company’s Funds”	means the aggregate amounts received by the Company from Investors on the Initial Closing Date and the Second Closing Date;
“Directors” or “the Board”	means the board of directors of the Company, as set out in the section headed “Directors, Investment Manager and Administration” in this Prospectus;
“Disposal Cost”	means the aggregate amount of all duties (including, without limitation, stamp duties), fees, costs and expenses (including, for the avoidance of doubt, travel expenses) or, if investing together with any strategic equity partners, the Company’s <i>pro rata</i> share of such duties, fees, costs and expenses, incurred in the Realisation of an Investment;
“Distributions”	means distributions in cash or distributions <i>in specie</i> of any securities to Investors (and “Distribution” and “Distributed” shall be construed accordingly);
“Distributor(s)”	means the entity(ies) and/or person(s) approved by the Directors in writing and notified to the Administrator, through which an Investor is introduced to the Company, if not directly;
“Distributors Fee”	means a once-off discretionary fee of an amount of up to 0.25% (plus VAT where applicable) of the value of the Shares subscribed for by Investors, to be charged by the Distributors and payable by the applicable Investor to the relevant Distributor;
“Fair Market Value per Share”	means the fair market value per Share of the Company as estimated by the Directors and audited by the Auditors, as the case may be, taking into account the calculation of the Performance Incentive;
“Formation Expenses”	means, <i>inter alia</i> , legal fees, duties (including, without limitation, stamp duties), listing and regulators fees, registration and incorporation costs, printing and Listing Sponsor Costs;
“GBP”	means the lawful currency of the United Kingdom;
“Guidance Document”	means the guidance document issued by the Guernsey Financial Services Commission dated February 2007;
“Hurdle”	means an amount of 8% per annum (compounded annually on the Accounting Date each year) on the net amount of Company’s Funds still retained by the Company (including any amounts already compounded) and calculated on a daily basis;

“Indemnified Person”	means any director or employee of the Company, including any director(s) nominated by the Investment Manager to be a director of an Investment Vehicle and/or its Associate;
“Independent Valuer(s)”	means such independent valuer(s) of international repute as may be appointed by the Directors to be the independent valuer of the Company’s Investments, initially being KPMG LLP;
“Initial Closing Date”	means 14 September 2007 or such other date, not being later than 31 October 2007, as the Board may decide;
“Investec”	means Investec Bank Limited, a company incorporated in South Africa (Registration number 1969/004763/06);
“Investment”	means any investment, asset or other interest acquired by the Company falling within the Investment Scope, including the Approved Investment (whether for consideration in cash or securities or assets of existing Investments or otherwise) including but not limited to shares, debentures, loan stock or other securities of and loans (whether secured or unsecured) made to any body corporate or other entity;
“Investment Amount”	means the total funds paid or to be paid by the Company in connection with an Investment;
“Investment Management Agreement”	means the agreement, as amended from time to time, between the Company and the Investment Manager, appointing the Investment Manager to act in the capacity as investment manager to the Company;
“Investment Manager”	means Pallinghurst (Cayman) GP L.P., an exempted limited partnership registered in the Cayman Islands;
“Investment Objectives”	means the investment objectives of the Company as set out in the section headed “Investment Strategy – Investment Objectives” in this Prospectus;
“Investment Period”	means the period commencing on the Initial Closing Date and ending on the earliest of: <ul style="list-style-type: none"> (a) the 5th anniversary of the Initial Closing Date; or (b) the date determined pursuant to a Key Man Event which has not been resolved within the Suspension Period as defined and described in Annexure 3 headed “Material Contracts – Investment Management Agreement” in this Prospectus; or (c) the date on which the Company’s Funds have been fully invested in or are committed or allocated to Investments or expenses of the Company; or (d) the date on which applicable laws or regulations make it necessary to terminate the Investment Period; or (e) such date as may be recommended by the Board and approved by Investors in general meeting by Special Resolution;
“Investment Policy”	means the investment policy of the Company as set out in the section headed “Investment Strategy – Investment Policy” in this Prospectus;
“Investment Scope”	means the investment scope of the Company as set out in the section headed “Investment Strategy – Investment Scope” in this Prospectus;
“Investment Term”	means the period commencing on the Initial Closing Date and ending on the Termination Date;

“Investment Vehicle”	means a body corporate or other entity in which the Company holds, directly or indirectly, together with strategic equity partners, on a case-by-case basis, an Investment;
“Investor”	means any Person who is a registered holder of Shares in the Company;
“IRR”	means the internal rate of return, expressed as a percentage, being the annual compound discount rate which, when applied to a relevant series of cash flows, results in a net present value of zero;
“JSE”	means the JSE Limited, being the South African Stock Exchange;
“Key Man Event”	means: <ul style="list-style-type: none"> (a) Brian P Gilbertson or any two of the other Key Men failing to devote substantially all of his/their professional time to the business and affairs of the Program; or (b) the death or permanent disability of Brian P Gilbertson or any two of the other Key Men; or (c) Brian P Gilbertson or any two of the other Key Men, ceasing to be an executive(s) of the Investment Manager; or (d) Cause exists with respect to one or more Key Men;
“Key Men”	means each of Brian P Gilbertson, Arne H Frandsen, Sean T Gilbertson, Priyank Thapliyal and any person approved as a Key Man in accordance with the terms of the Investment Management Agreement;
“Law”	means the Companies (Guernsey) Laws, 1994 to 1996, as amended from time to time, together with the Companies (Enabling Provisions) (Guernsey) Law, 1996 and the Ordinances from time to time made thereunder;
“Listing Sponsor”	means Reid Listing Services Limited;
“Listing Sponsor Costs”	means the costs incurred by the Company in accordance with the terms of the Listing Sponsor’s Service Agreement;
“Management Shares”	means non-redeemable shares with a par value of USD 1.00 each in the share capital of the Company;
“Memorandum”	means the Memorandum of the Company as amended or replaced from time to time;
“NAV of the Company”	means the net asset value of the Company determined in the manner defined in the Articles, as described and calculated under the section headed “General Information – Net Asset Value of the Company” in this Prospectus;
“Offer”	means the offer for subscription of Shares on the terms and conditions as set out in this Prospectus;
“Offer Price”	means USD 1,000 per Share;
“Ordinary Resolution”	means a resolution, taken in accordance with the Articles, passed by a simple majority of Investors, present or by proxy, at the meeting, convened with the proper notice of the meeting having been provided to the Investors;
“Performance Incentive”	means the benefit attributable to the Investment Manager or its Associate, as described in the section headed “Expenses, Fees and Investment Manager’s Benefits” in this Prospectus;

“Person”	means any individual, body corporate or corporation, limited liability company, partnership, limited partnership, limited liability partnership, trust or other legal entity;
“Program”	means the investment program, managed by the Investment Manager whereby Investments falling within the Investment Scope are offered to the Company and to the strategic equity partners, on a case-by-case basis;
“Prospectus”	means this document and all the Annexures hereto;
“Realisation”	means the occurrence of any of the following events in relation to an Investment: <ul style="list-style-type: none"> (a) the receipt of consideration and distribution in cash or the receipt of consideration and distribution <i>in specie</i> of any securities of a capital nature; or (b) the unconditional completion of an agreement for the sale of the whole, or any part, of an Investment (save that where the consideration for such sale is wholly comprised of securities of a company or, where the consideration for such sale is comprised partly of securities of a company and partly of cash, in relation to that part of the consideration comprised of securities, there shall be no Realisation for the purposes of this sub-paragraph (b)); or (c) the receipt of any deferred consideration (other than that of an income nature) or the release of a provision in either case arising from a previous Realisation of the whole, or any part, of an Investment; or (d) the redemption of any securities of a company which is the subject of an Investment (other than any redemption of such securities which is made solely in connection with any other event constituting a Realisation); or (e) the winding up or dissolution of any entity in which an Investment is held, and “Realised” shall be interpreted accordingly;
“Redemption Date”	means the date of compulsory redemption of the Shares, being the date 1 calendar month after the Termination Date, subject to all Investments having been liquidated and/or Distributed;
“Second Closing Date”	means a date as determined by the Board at the end of the Second Equity Raising Period, being no later than 36 months after the Initial Closing Date;
“Second Equity Raising Period”	means the period as determined by the Board, following the Initial Closing Date, in which the Company may offer further Shares for subscription in order to raise further capital for the Company;
“Settlement Date”	means the date that is 3 Business Days following the Initial Closing Date, on which payment for the subscription of Shares at the Offer Price must be received in full, being Wednesday, 19 September 2007, or such later date as the Board may decide;
“Shares”	means ordinary shares with a par value of USD 0.01 each in the share capital of the Company;
“Sophisticated Investors”	means sophisticated or professional investors who can afford to take a higher degree of risk, which may include the risk of the loss of their entire investment, and who have extensive knowledge and experience in financial and business matters and are capable of evaluating the merits and risks associated with an investment in the Shares;
“South Africa”	means the Republic of South Africa;

“Special Resolution”	means a resolution taken in accordance with the Articles, passed by a majority of not less than three-quarters of the votes of the Investors, present or by proxy, at the meeting convened with the proper notice of the meeting having been provided to Investors;
“Structural Facilitator and Investment Bank”	means Investec;
“Structural Facilitator and Investment Bank Fee”	means a once-off amount of up to 2% of the Company’s Funds raised by and payable to Investec by the Company on the listing of the Shares on the Bermuda Stock Exchange;
“Subsidiary(ies)”	has the meaning ascribed to it in Section 15 of the Amalgamation of Companies Ordinance, 1997;
“Temporary Investments”	means any Investment which is Realised, in whole or in part, within 12 months of its acquisition by the Company (and for these purposes the date of acquisition will be the date on which the Investment is legally or beneficially transferred and held for the account of the Company), which shall include, but shall not be limited to, Underwritten Investments (provided that the syndication of such Underwritten Investments occurs within 12 months of such Investment being made);
“Termination Date”	means: <ul style="list-style-type: none"> (a) the 10th anniversary of the Initial Closing Date; or (b) the 11th anniversary of the Initial Closing Date; or (c) the 12th anniversary of the Initial Closing Date, as the case may be, pursuant to the applicable resolution, if required, being passed by the requisite majority of Investors in general meeting as described in the section headed “Sale Arrangements and Redemptions – Redemption on the Redemption Date” in this Prospectus.
“Transaction Receipts”	means any of the following which are received by the Investment Manager: <ul style="list-style-type: none"> (a) all advisory and agency fees payable by an Investment Vehicle which are directly referable to the Company’s Investment in such Investment Vehicle; (b) all break fees payable in connection with a potential Investment which does not proceed to completion; (c) all underwriting fees payable in connection with the underwriting of Underwritten Investments; and (d) all other fees, commissions and amounts including arrangement fees and exit fees which are directly referable to the Company’s Investment in an Investment Vehicle, provided that all monitoring fees payable by an Investment Vehicle in relation to the Company’s Investments in an Investment Vehicle and all directors fees and benefits payable in connection with the appointment of a nominated director or reimbursement of costs related to an Investment Vehicle paid by the Investment Manager, shall not be deemed Transaction Receipts and may be retained in full by the Investment Manager;
“Trust”	means the trust to be declared on or before the Initial Closing Date and to be known as the Pallinghurst (Guernsey) Charitable Trust;
“Underwritten Investments”	means any Investment in an Investment Vehicle made with a view to its subsequent syndication;

“United Kingdom” or UK”	means the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	means the United States of America;
“United States Dollars” or “USD”	means the lawful currency of the United States;
“Unrealised Investment”	means any Investment which has not been the subject of a Realisation or the unrealised portion of a partial Realisation of an Investment;
“VAT”	means South African value added tax;
“ZAR”	means the lawful currency of South Africa; and
“1933 Act”	means the United States Securities Act of 1933, as amended from time to time.

INVESTMENT STRATEGY

1. INTRODUCTION

The Company's purpose is to carry on the business of an investment holding company in Investments falling within the Investment Scope. To achieve the Investment Objectives the Company has appointed the Investment Manager to act in the capacity as investment manager to the Company on the terms set out in the Investment Management Agreement. The Investment Manager is a specialist natural resources entity that will seek to develop strategic partnerships for the Company with companies and/or other entities in order to create and unlock value for Investors over the Investment Term. The Company is chaired by Brian Gilbertson, widely regarded as one of the leading figures in the natural resources industry, with a notable history and proven track-record of value creation.

2. INVESTMENT POLICY

The Company will invest in Investments falling within the Investment Scope and in the Approved Investment. The Company will hold, whether directly or indirectly, through one or more special purpose vehicles to ensure the most efficient corporate structure, a minimum of a 20% interest in each Investment Vehicle, subject to the limitations, below.

- (a) the aggregate investment by the Company in any Investment Vehicle may not exceed the greater of 30% of the Company's Funds or USD 100 million, unless such excess Investment is approved by Investors by Ordinary Resolution. Aggregate Investments shall for this purpose include any guarantees and undertakings provided by the Company with respect to an Investment Vehicle but shall exclude any Temporary Investments; and
- (b) Temporary Investments may, when added to the Company's other investments in an Investment Vehicle, not exceed the greater of 40% of the Company's Funds or USD 150 million. The Investment Manager will use reasonable endeavours to reduce the aggregate amount invested in a single Investment Vehicle to the greater of 30% of the Company's Funds or USD 100 million within the 12 month period following the date on which such Investment is concluded, unless such excess Investment is approved by Investors by Ordinary Resolution.

Whilst the Company has the ability to gear its balance sheet, it is intended that each Investment will be ring-fenced by the Company and that the funding of each Investment will be based on the strength of such Investment's balance sheet and/or cash flow potential, thereby increasing the insolvency remoteness of each Investment.

3. INVESTMENT SCOPE

The Company will maintain a global focus across the commodities spectrum, with a primary focus on underperforming assets, businesses that lack direction, are poorly managed, stranded or distressed. The Investment Manager, on behalf of the Company, will seek to develop strategic platforms in pursuit of consolidation, vertical integration and turn-around opportunities as well as expansion projects. The Company will target Investments in businesses that hold mines, smelters, refineries and processing plants with a strong preference for brown-fields opportunities, although Investments in businesses with attractive development opportunities will be considered.

Investments shall include, but shall not be limited to, the acquisition and disposal of ordinary shares, preference shares, debentures, loan stocks, other securities, options and warrants of and in listed and in unlisted companies and/or other vehicles that focus in the global natural resources sector and in the Approved Investment.

4. INVESTMENT OBJECTIVES

On the advice of the Investment Manager, the Company, whether individually or with selected strategic equity partners, on a case-by-case basis, will utilise its financial ability and unique expertise and execution skill in the natural resources sector to participate in Investments falling within the Investment Scope with the principal objective of providing Investors with a high overall rate of return.

The Company intends to execute several Investment opportunities over the Investment Period, with a strong pipeline of existing opportunities currently identified and being pursued by the Investment Manager including the Approved Investment. Each Investment Vehicle, together with selected strategic equity partners, on a case-by-case basis, will attempt to secure board and management control as a pre-requisite to influence the future strategic direction of each Investment.

5. INVESTMENT PROCESS

The Company has appointed the Investment Manager, in accordance with the terms of the Investment Management Agreement, to provide it with investment advisory and management services in relation to Investments.

The Investment Manager will be responsible for identifying potential Investments and will make Investment recommendations and provide advice to the Board regarding Investments or the Realisation or refinancing thereof.

The Board will consider the advice and recommendations of the Investment Manager and any other advice received from additional third party external experts and service providers, to the extent required, prior to making an Investment or Realisation decision. Once the Directors have resolved to participate in an Investment or Realisation or refinancing thereof, the Investment Manager will be responsible for negotiating, implementing and executing the transaction within the parameters set by the Board.

In terms of the Program, all potential Investments falling within the Investment Scope, and the Approved Investment, as described below, will be offered to the Company for Investment at a price equal to the cost at which such Investments have been negotiated and concluded.

To the extent the Company wishes to amend its Investment Scope and its Investment Objectives and/or approve a potential Investment falling outside the Investment Scope, it will seek prior Investor approval by means of Ordinary Resolution.

6. THE APPROVED INVESTMENT

A special purpose vehicle, named Fabergé Limited, currently owned by members of the Investment Manager and certain strategic equity partners, acquired Unilever plc's worldwide portfolio of trademarks, licences and associated rights relating to the Fabergé brand name in January 2007.

Since completion of the acquisition of the Approved Investment, the licence portfolio has been rationalised and a trademark program implemented to improve the international trademark portfolio which comprises some 1,700 trademarks.

A portfolio of nine licensing agreements was also acquired, whereby the licensees manufacture and sell approved Fabergé products including, but not limited to, jewellery, spectacles, glassware, cutlery, neckties, jewellery boxes and objects of art. The licensees pay royalties to Fabergé Limited calculated on a percentage of turnover basis.

The Investment Manager believes Unilever plc ran the Fabergé brand in a particularly devolved manner, with little centralised control. Accordingly, the Investment Manager believes that there is significant scope for redeveloping the Fabergé brand with two primary objectives, which will be housed in separate Investment Vehicles and run as independent Investments:

- (a) The first is to restore the Fabergé brand as an exclusive luxury goods brand dedicated to Fabergé's heritage by focussing on the highest standards of design and craftsmanship. Fabergé Limited is in the process of recruiting a specialist team, including a Chief Executive Officer, from the luxury goods sector to implement this strategy.
- (b) The second is to create an Investment Vehicle to pursue the consolidation of and vertical integration in the coloured gemstone industry and which will, as one of its product lines, market and sell individually branded Fabergé gemstones which will guarantee the provenance and the ethical sourcing of the gemstones.

The Company will have a minimum entitlement to at least 20% of the shares in Fabergé Limited.

7. TARGETED RETURNS

The Company will aim at achieving a gross IRR of 25% per annum to Investors prior to the Performance Incentive. The IRR will be based and calculated on the Aggregate Proceeds attributable to Investors over the Investment Term.

8. INVESTMENT MANAGER'S INVESTMENT IN SHARES

To ensure that the interests of the Investors are aligned with those of the Investment Manager, the executives of the Investment Manager will subscribe for Shares in the Company on the Initial Closing Date for an amount of USD 11 million.

Furthermore, the executives of the Investment Manager will undertake not to cede, pledge, dispose of or otherwise encumber such Shares during the Investment Term.

9. SECOND EQUITY RAISING

By no later than the Second Closing Date, the Directors of the Company may decide to acquire further Investments. In order to facilitate such Investments, additional funding may be required. In this instance, the Directors have the right to offer further Shares for subscription in the Company.

Notwithstanding the fact that there are no rights of pre-emption, any such further offering of Shares will be made to existing and prospective Investors on the same terms and conditions. Such further Shares will be offered at an amount per Share equal to the audited Fair Market Value per Share as at the relevant subscription date. The intention is that existing Investors will not be affected adversely by any further offer of Shares.

10. JSE LISTING

The Company undertakes, subject to the receipt of regulatory approvals, to list its Shares on the JSE within the 12 month period following the Initial Closing Date.

11. CURRENCY

The functional currency of the Company will be United States Dollars. All commitments by, and Distributions to, Investors and all calculations pursuant to the terms of this Prospectus will be in United States Dollars.

CORPORATE INFORMATION

Directors

Brian P Gilbertson
Arne H Frandsen
Stuart Platt-Ransom
Clive Harris

Registered Office of the Company

Pallinghurst Resources (Guernsey) Limited
1 Le Marchant Street
St Peter Port
Guernsey
Channel Islands
GY1 4HP

Structural Facilitator and Investment Bank

Investec Bank Limited
100 Grayston Drive
Sandown, Sandton
South Africa
2196

Listing Sponsor

Reid Listing Services Limited
Argyle House
41a Cedar Avenue
Hamilton HM12
Bermuda

Auditors

Saffery Champness Chartered Accountants
La Tonnelle House
Les Banques
St Peter Port
GY1 3HS

Legal advisers in Bermuda

Appleby Global
Canon's Court
22 Victoria Street
Hamilton
HM 12
Bermuda

Bankers in Guernsey

Investec Bank (Channel Islands) Limited
La Vielle Court
St Peter Port
Guernsey GY1 3RP

Bankers in the United Kingdom

Investec Bank (UK) Limited
2 Gresham Street
London EC2V 7QP
United Kingdom

Investment Manager

Pallinghurst (Cayman) GP L.P.
UBS House
227 Elgin Avenue
PO Box 852 GT
Grand Cayman
Cayman Islands

Administrator and Secretary

Legis Fund Services Limited
1 Le Marchant Street
St Peter Port
Guernsey
Channel Islands
GY1 4HP

Annual Sponsor and Broker

First Bermuda Group Limited
Maxwell R Roberts Building
1 Church Street
Hamilton HM11
Bermuda

Legal Advisers in Guernsey

Ozannes Advocates & Notaries
1 Le Marchant Street
St Peter Port
Guernsey
Channel Islands
GY1 4HP

Legal advisers in South Africa

Deney's Reitz Inc
82 Maude Street
Sandton
2196
South Africa

Bankers in South Africa

Investec Bank Limited
100 Grayston Drive
Sandown, Sandton
South Africa
2196

DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

Annexure I headed "Directors' Interests" in this Prospectus lists the current and past directorships held by the Directors and the executives/partners of the Investment Manager during the previous 5 year period.

I. DIRECTORS

Brian P Gilbertson

(BSc (Maths and Physics), BSc (Hons) in Physics, MBL and PMD from Harvard)

Mr. Gilbertson has extensive experience in the global natural resources industry. Mr. Gilbertson was closely associated with Rustenburg Platinum Mines which gained recognition as the world's foremost producer of platinum in the 1980s. Mr. Gilbertson resurrected Gencor Limited's ailing coal arm, Trans-Natal Limited, into the world's premier steam coal exporter. As Executive Chairman of Gencor Limited, Mr. Gilbertson led the restructuring of the South African mining industry into the post-Apartheid era, transforming Gencor Limited into a focused minerals and mining group by a global exploration programme and the USD 1.2 billion purchase of the international mining assets (Billiton) of the Royal Dutch Shell Group. In 1997, Gencor Limited sold its non-precious metals interests to Billiton plc and, with Mr. Gilbertson as Executive Chairman, Billiton plc raised USD 1.5 billion in an initial public offering on the London Stock Exchange, taking the company into the FTSE 100. In 2001, Billiton plc merged with BHP Limited to create what is widely regarded as the world's premier resources company, BHP Billiton plc. In 2004, Mr. Gilbertson joined Sibirsko-Uralskaya Aluminum Company (SUAL), the second largest aluminium producer in Russia and led the company into the USD 30 billion merger with RUSAL and the alumina assets of Glencore International A.G., creating the largest aluminium company in the world. Mr. Gilbertson established Pallinghurst Resources LLP and the Investment Manager during 2006 and 2007, respectively, and is the Chairman of and a partner in both entities. Mr. Gilbertson is a South African citizen and is resident in the United Kingdom.

Arne H Frandsen

(BA, Master in Law from EU University, Postgraduate Research and Studies in Japan and South Africa)

Following completion of his degrees, Mr. Frandsen undertook extensive legal research in Europe, Japan and South Africa. Mr. Frandsen has over 10 years of investment banking experience with Goldman Sachs and JPMorganChase, providing strategic advice and structuring of mergers and acquisitions and corporate finance transactions for clients globally. From 2004, Mr. Frandsen acted as Client Executive for JPMorganChase in South Africa, followed by a year as Chief Executive Officer for Incwala Resources (Proprietary) Limited. Since 2006, Mr. Frandsen has been acting for Pallinghurst Resources LLP. Mr. Frandsen is a Danish citizen and is resident in South Africa.

Stuart Platt-Ransom

Mr. Platt-Ransom is Managing Director of the Legis Group, a role to which he was appointed in July 2007. Mr. Platt-Ransom spent the previous 12 years with State Street Bank & Trust Company in its South African, Luxembourg, Dublin, London and Guernsey offices in various management, operational, business development and relationship management roles. Prior to that, Mr. Platt-Ransom worked for Global Asset Management in the Isle of Man. Most recently, Mr. Platt-Ransom was the Managing Director of State Street's business in Guernsey and was responsible for its business in Africa from 2002 to 2006. Mr. Platt-Ransom is a British and South African citizen and resident of Guernsey.

Clive Harris

(BSc. (Econ), ICAEW)

Mr. Harris is a Chartered Accountant (England and Wales) and a member of the Society of Trust and Estate Practitioners. With over 24 years experience in the offshore financial sector in the Cayman Islands, Mr. Harris has extensive and in-depth knowledge and experience in the fields of company and fund management, captive insurance management, investment services (including investment vehicles, products and strategies across various markets), and mutual fund administration, with a regulatory and governance emphasis. Mr. Harris was employed for over 20 years as a director and Managing director of International Management Services Limited, a leading independent Cayman Islands based firm of company fund and insurance managers. Between 2003 and 2004 Mr. Harris was a member of the executive of the Cayman Islands Fund Administrators Association. More recently Mr. Harris is an independent consultant engaged in the offshore financial sector and serves as an independent non-executive director to a number of Cayman Islands based hedge and private equity funds. Mr. Harris is a British and Cayman Islands citizen and is resident in the Cayman Islands.

2. INVESTMENT MANAGER

Executives/partners of the Investment Manager

(a) Brian P Gilbertson

A short *curriculum vitae* of Mr. Gilbertson is provided above in the section headed "Directors".

(b) Arne H Frandsen

A short *curriculum vitae* of Mr. Frandsen is provided above in the section headed "Directors".

(c) Priyank Thapliyal

(Metallurgical Engineer, BTech, MEng, MBA (Western Ontario, Canada))

Mr. Thapliyal acted as deputy to Anil Agarwal (Founder and Chairman of Vedanta Resources plc) and was responsible for spearheading the main strategic developments that resulted in the listing of Vedanta Resources plc on the London Stock Exchange in December 2003. The listing and the transaction mentioned below has been credited for transforming Vedanta Resources plc from a USD 100 million Indian copper smelting company in 2000 to the current USD 7.5 billion (by market capitalisation) London Stock Exchange listed company. A significant part of this value uplift was attributable to the USD 50 million acquisition of a controlling stake in Konkola Copper Mines in Zambia in November 2004, which was initiated and led by Mr. Thapliyal, a stake currently valued at approximately USD 1 billion.

(d) Sean T Gilbertson

(Mining Engineer, BSc)

Mr. S Gilbertson is the former Chief Executive Officer of Global Coal Limited, a company that operates live global coal trading and is owned by subsidiaries or related entities of (among others) Accel-KKR, Anglo American plc, BHP Billiton plc, Glencore International A.G. and Rio Tinto plc. Mr. S Gilbertson is also the co-founder of Spectron eMetals trading platform for category I and II members of the London Metals Exchange. Mr. S Gilbertson is a former project finance banker with Deutsche Bank.

Mr. Gilbertson, Mr. Frandsen and Mr. Harris are Directors of the Company and executives and/or partners of the Investment Manager or its Associates.

Credentials of the Investment Manager

The Investment Manager's executives/partners have extensive experience in creating value in the natural resources industry, with in-depth knowledge of the assets, companies, people and trends and are recognised for their strategic insight and vision. The senior executives are highly regarded by international mining investors and are renowned for pioneering innovative transactions (such as the creation of BHP-Billiton plc, Vedanta Resources plc, and the formation of the United RUSAL). The strength of its contact network allows the Investment Manager to engage key industry players at the highest levels, attract first rate management and operational teams for Investments and to utilise leading advisers and specialists. The Investment Manager's origination capabilities provide for excellent deal flow, with a strong pipeline of existing opportunities currently in progress, including the Approved Investment.

Pallinghurst Resources LLP, a UK based limited liability partnership regulated by the UK Financial Services Authority, will act as advisor to the Investment Manager to identify, evaluate and recommend suitable Investments, the financing and structuring thereof, and to monitor Investments and provide recommendations on refinancings, add-ons and Realisations.

Investment Manager's Services

The Investment Manager's scope, as more fully described below, is to provide the Company with advisory and management services in relation to Investments and potential Investments falling within the Investment Scope and the Approved Investment.

There are no past, current or pending legal actions that have been brought against the Investment Manager and it has not been prosecuted by any regulator or governmental authority. The Investment Manager may not resign as investment manager to the Company during the Investment Term, unless approved by Investors by Special Resolution.

The scope of the Investment Manager's services include:

- (a) identifying, securing, researching, conducting and/or procuring the provision of financial, technical and legal due diligence in relation to the evaluation and recommendation of potential Investments;

- (b) preparing Investment proposal papers for each potential Investment including details thereof, indicative terms and the structure of the potential Investment;
- (c) negotiating and concluding Investments, including preparing, approving and concluding Investment agreements within the parameters set by the Board and, where appropriate, giving warranties and indemnities in connection with such Investment;
- (d) managing Investments, including monitoring the performance of Investments and, when appropriate, recommending the Realisation and/or refinancing options thereof;
- (e) nominating and managing the performance of directors and/or officers of Investment Vehicles and liaising and consulting with Investment Vehicles;
- (f) assisting in managing expenditure, budgeting and accounting, arranging valuations and taxation matters and (where appropriate) appointing third parties to provide some or all of these services;
- (g) procuring 6 monthly valuations of the Investments by the Independent valuers;
- (h) assisting in, arranging or negotiating borrowings for the Company and/or Investment Vehicles, if appropriate;
- (i) assisting in advising on the commencement or defence of litigation pertaining to the Company, in conjunction with the Board and its professional advisers, where applicable;
- (j) liaising with insurers, bankers, lawyers, Auditors, Independent Valuers and advisers to the Company;
- (k) assisting in the preparation of reports for the Investors on the performance of all Investments;
- (l) advising the Company in relation to all Investment related matters which appear to the Investment Manager would be advantageous to the Company;
- (m) performing such other duties as may be reasonably necessary or incidental to the above or as may be agreed between the Company and the Investment Manager; and
- (n) providing to the Administrator all such information in relation to Investments as it may reasonably require to carry out its duties under the Administration and Secretarial Agreement.

The Directors will consider the recommendations of the Investment Manager and any other advice received from additional third party external experts and service providers, if required, before making an Investment or Realisation decision. Once the Directors have resolved to participate in an Investment, disposal or refinancing thereof, the Investment Manager will be responsible for negotiating, implementing and concluding the transaction within the parameters set by the Board.

Investment Advice

Where the Investment Manager considers it necessary, and in the best interests of the Company and/or the relevant Investment Vehicle, it may seek advice from third party advisers, on market related terms, who may contract with the Investment Manager and/or the Company and/or the relevant Investment Vehicle.

Strategic Equity Partners

On a case-by-case basis, based on the strategic merit and the ability to enhance an Investment's returns, the Company, on the advice of the Investment Manager, may seek to identify, acquire and manage Investments through Investment Vehicles together with selected strategic equity partners who would participate in any such Investment on a *pari pasu* basis with the Company.

Such strategic equity partners will typically have experience in the field of the particular Investments whether financial, strategic or Investment specific expertise. The Directors believe that such strategic equity partners would assist the Company in competitively identifying, accessing, managing, creating value for and in due course, Realising Investments. The Investment Manager will remain responsible for the management of such Investments and will both manage and oversee the execution of the Company's Investment Strategy, in conjunction with such strategic equity partners.

The Company will require that the strategic equity partners make meaningful investments of their own capital and that their investment return will be dependant upon Investment performance.

Notwithstanding the above, the Company will have an unconditional entitlement, subject to the Investment limitations imposed by the Investment Policy, to a minimum of 20% of each Investment Vehicle, in which any such strategic equity partners participate.

3. ADMINISTRATION

Administrator and Secretary

The Administrator has been appointed by the Directors to manage the day-to-day operations and administration of the Company and to perform general administrative tasks, including but not limited to, dealing with all correspondence from regulatory bodies, exchanges, Investors and service providers, processing Share subscriptions, redemptions and withdrawals, disbursing payments, establishing and maintaining books of accounts on behalf of the Company, liaising with the Investment Manager, acting as Company secretary and attending to any other matters incidental thereto and usually performed for the administration of a company. The Administrator will liaise with the Auditors and the Independent Valuer(s) and will keep the accounts of the Company in accordance with International Financial Reporting Standards. The Administrator will also establish and maintain a register of the Investors.

Structural Facilitator and Investment Bank

The Corporate Finance and Capital Markets divisions of Investec will act as the structural facilitator and investment bank to the Company. Investec is incorporated under the laws of South Africa (Registration number 1969/004763/06) and is regulated by the South African Reserve Bank in terms of the Banks Act, 1990, as well as the Companies Act, 1973 of South Africa. During at least the past 5 years there have been no criminal convictions or disciplinary actions taken against Investec by any securities supervisory or other regulatory body.

Investec and its Associates may have an interest or position in the Shares from time to time. Investec is not acting for, or advising, or treating as its customer, any other Person (unless another specific written arrangement applies between Investec and such Person) in relation to an investment in the Company and will not be responsible for providing to any other Person best execution or any other of the protections usually afforded to its customers.

Investec's role shall be strictly limited to assisting the Directors in establishing the Company, liaising with regulators, attending to the listing of the Shares on the Bermuda Stock Exchange and JSE and assisting the Company to raise the Company's Funds from prospective Investors. Investec accepts no responsibility for the contents of this Prospectus, makes no warranty or representation as to its accuracy or completeness, nor does it warrant the performance of the Company or the returns (if any) to be expected by Investors from the Shares. Investec hereby expressly disclaims any liability whatsoever for any loss or damages (including consequential damages) howsoever arising from or suffered by any third party or Investor from the reliance upon any part of the contents of this Prospectus or any omission made therein.

Valuation of Investments

Valuation of Investments will be performed by the Independent Valuer(s) on a 6 monthly basis in accordance with the valuation guidelines contained in the International Private Equity and Venture Capital Reporting Guidelines, which became effective from 1 January 2005 (as amended, supplemented or replaced from time to time).

Details of such valuations and a report on the Investments will be sent to Investors and/or will be published on the Bermuda Stock Exchange's website (www.bsx.co.za).

THE OFFER AND PROCEDURE FOR APPLICATION

1. THE OFFER

The Offer is targeting subscription by Investors for 300,000 Shares at the Offer Price, by means of a private placement. In the event that subscriptions for greater than 300,000 shares are received, the Directors, at their discretion, may elect to accept further subscriptions.

The Offer is subject to a minimum of 50,000 Shares at the Offer Price being subscribed for, in aggregate, by prospective Investors in the Company, failing which the Offer shall lapse.

The minimum number of Shares that may be the subject of an individual application for subscription per individual Investor is 300 Shares at the Offer Price of USD 1,000 per Share.

2. TIME AND DATE OF THE OPENING AND CLOSING OF THE OFFER

The Offer opens at 09:00am Guernsey time (10:00am South African time) on 11 September 2007 and closes at 11:00am Guernsey time (12:00pm South African time) on the Initial Closing Date being Friday, 14 September 2007 or such later date, not being later than 31 October 2007, as the Directors may decide.

3. METHOD OF APPLICATION

Prospective Investors wishing to subscribe for Shares must complete the Application Form, attached to this Prospectus in full, in accordance with the instructions included therein, and send it to Investec (at the address indicated in the Application Form) together with any other required documentation, to be received by Investec by no later than 11:00am Guernsey time (12:00pm South African time) on the Initial Closing Date.

An application will not be valid unless all the above requirements have been fulfilled on or prior to the Initial Closing Date.

4. METHOD OF ALLOCATION

Shares will be allocated to Investors at the discretion of the Directors with Shares being allocated on a weekly basis from the opening of the Offer. Accordingly, prospective Investors that submit fully completed Application Forms (together with all the required documentation as set out in the Application Form) timeously will be considered favourably in the allocation process. Notice of allocations will be provided to prospective Investors by Investec on a weekly basis, but by no later than on the Initial Closing Date. Prospective Investors may receive no Shares or fewer than the number of Shares applied for. Any dealing in Shares prior to receipt by prospective Investors of a valid contract note, shall be at the risk of such Investors.

The Directors are entitled, but not obliged, to refuse to issue Shares to prospective Investors whose ownership of such Shares, it appears to the Directors, may:

- (a) give rise to a breach of any applicable law or requirement in any jurisdiction;
- (b) prejudice the tax status and residence of the Company or Investors;
- (c) cause the Company or Investors to suffer any pecuniary, fiscal or material administrative disadvantage; and
- (d) cause the Company to be required to comply with any registration or filing requirement in any jurisdiction within which it would not otherwise be required to comply.

The Directors reserve the right to reject any application, in whole or in part, and may in their sole discretion, accept applications for less than 300 Shares provided always that the minimum investment per application shall be greater than ZAR 100,000. The Directors may impose additional suitability requirements and standards from time to time.

5. METHOD OF PAYMENT

On notification of the successful subscription and allocation of Shares, full details regarding the payment for the Shares will be communicated to Investors. Payment for the Shares must be received in United States Dollars in full by no later than on the Settlement Date. The Administrator will send a contract note to Investors detailing the amount invested and the number of Shares issued, within 10 Business Days of the listing of the Shares on the Bermuda Stock Exchange, provided that payment for the Shares has been received in full by the Settlement Date.

6. APPLICANT UNDERTAKINGS AND ACKNOWLEDGEMENTS

By completing and delivering the Application Form each prospective Investor agrees with the Company and acknowledges as follows:

- (a) the Directors shall be entitled to accept or refuse any application, either in whole or in part, in such a manner as they may in their sole and absolute discretion decide;
- (b) any application shall be irrevocable;
- (c) the application and any issue of Shares are made on and subject to the terms and conditions of this Prospectus, the Application Form and the Articles;
- (d) the application for Shares is based solely upon the information contained in this Prospectus and no other information or representation has been relied upon;
- (e) any monies returned to the prospective Investor will not include any interest which may have been earned while the Company held such monies;
- (f) all risks in respect of the method of payment will be borne solely by the prospective Investor;
- (g) the Company shall be notified, by the prospective Investor, in writing, of any change in registered address, e-mail or bank account details; and
- (h) monies transferred by the prospective Investor must be sent rounded to a thousand United States Dollars and amounts received by the Company under USD 50.00 will not be remitted to the prospective Investor.

SALE ARRANGEMENTS AND REDEMPTIONS

I. SALE ARRANGEMENTS

Notwithstanding the fact that the Company and its Shares will be listed on the Bermuda Stock Exchange, pursuant to the Investment Scope and Investment Objectives of the Company and the potential long-term nature of the Investments, it is anticipated that the secondary market for Shares may be limited and relatively illiquid over the Investment Term. In an endeavour to facilitate increased liquidity in the Shares, the following two mechanisms are envisaged:

(a) Willing buyer, willing seller transactions:

The Broker, through one or more of its Associates, will provide broking, execution and clearing services for secondary market trades between Investors and prospective Investors during the Investment Term. Secondary market trades will be effected through a matched sale transaction on condition that there is a willing buyer and willing seller who have indicated the price at which they are willing to acquire and dispose of Shares. The Broker will ensure that the sale proceeds, less the settlement and registration fees, will be paid to the relevant Investor by electronic transfer into the bank account specified by such Investor on receipt of the sale proceeds from the purchaser of the Shares and that the relevant documentation including Share transfer forms and/or Share certificates, to the extent required, have been duly completed and received by the Broker.

The Broker will facilitate trades by dealing with Investors directly and providing Investors with instructions for clearing their Shares with the relevant Administrator/relevant transfer agent. In addition, Investors will be provided with quarterly statements of their holdings by the Broker.

The most recent Fair Value per Share, the price at which Investors and prospective Investors are prepared to dispose of and acquire Shares and the most recent traded Share price will be posted on the Bermuda Stock Exchange website (www.bsx.com).

Any transactions in Shares will require the prior consent of the Directors, for the reasons described under the section headed "The Offer and Procedure for Application – Method of Allocation" and in Annexure 2 headed "Extracts from the Articles – Compulsory Transfer or Repurchase of Shares" in this Prospectus.

(b) Purchases by the Trust:

In all instances above, the Broker will notify the Trust when a willing seller of Shares is available. The Trust may be willing, but is not obliged, to acquire Shares during the Investment Term. The Company shall pay all costs associated with the establishment of the Trust. Prior to the Redemption Date, no sale to the Trust of less than 10 Shares per transaction or any disposal as a result of which an Investor will hold less than 10 Shares in the Company will be allowed, except where a Investor disposes of all his Shares.

Transfers of Shares may be restricted and Shares may become subject to compulsory repurchase in certain circumstances if, *inter alia*, new Investors would cause the Company an economic, tax or regulatory disadvantage. Investor's attention is drawn to Annexure 2 headed "Extracts from the Articles – Compulsory Transfer or Repurchase of Shares" in this Prospectus.

2. REDEMPTIONS

Redemption Prior to the Redemption Date

Prior to the Redemption Date there is no entitlement in favour of Investors to have their Shares redeemed by the Company, but the Company shall be entitled to redeem Shares at its election at any time prior to the Redemption Date, as set out below. Redemptions are wholly at the discretion of the Directors. However, subject to their overall discretion, the Directors have determined to operate the following policy in respect of redemptions prior to the Redemption Date, namely that redemptions prior to the Redemption Date will be considered by the Directors if:

- (a) redemptions are effected *pro rata* to all Investors, for part of their Shares, at the audited Fair Market Value per Share less all costs associated with and incidental to the redemption; and
- (b) there is sufficient cash or gearing available to fund such redemptions; and

- (c) the number of Shares to be redeemed shall be proportionate to the value that the Realisation proceeds received by the Company (less any Disposal Costs and Performance Incentive, if applicable) represents to the NAV of the Company as a whole prior to such redemption.

For the avoidance of doubt, the final redemption of unredeemed Shares will not take place until all Investments of the Company have been liquidated into cash and/or Distributed and all remaining Aggregate Proceeds have been Distributed to Investors.

In addition, no redemption prior to the Redemption Date will be considered by the Directors, where:

- (a) such redemption would or might leave the Company with insufficient funds to meet any future contemplated obligations or contingencies; or
- (b) such redemption would render the Company insolvent; or
- (c) such redemption may in the opinion of the Directors be prejudicial to the Company or other Investors.

Redemption proceeds will be paid to Investors by the Administrator, no less than 5 Business Days after the date on which the Shares are redeemed, by electronic transfer into the bank account specified by the Investor.

Redemption on the Redemption Date

- (a) On or prior to the 10th anniversary of the Initial Closing Date, the Directors shall convene an extraordinary general meeting at which time an Ordinary Resolution will be proposed to either (i) if recommended by the Board, to extend the Termination Date by one year; or (ii) voluntarily wind up the Company and to redeem all the Shares on the Redemption Date, at the audited Fair Market Value per Share less any costs associated with the liquidation, if any.
- (b) If on, or prior to, the 10th anniversary of the Initial Closing Date an Ordinary Resolution in terms of (a)(i) above was proposed and approved, then on, or prior to, the 11th anniversary of the Initial Closing Date the Directors shall convene an extraordinary general meeting and propose an Ordinary Resolution on terms similar to (a)(i) and (a)(ii) above but references to the 10th anniversary of the Initial Closing Date shall be replaced by reference to the 11th anniversary of the Initial Closing Date.
- (c) If on, or prior to, the 11th anniversary of the Initial Closing Date an Ordinary Resolution in terms of (a)(i) above was proposed and approved, then on, or prior to, the 12th anniversary of the Initial Closing Date, the Directors shall convene an extraordinary general meeting at which time an Ordinary Resolution will be proposed to voluntarily wind up the Company, except if a Special Resolution (that will be proposed at the same meeting) to extend the life of the Company indefinitely is proposed and approved.

In the event that either the Ordinary Resolution or the Special Resolution referred to in paragraph (a), (b) and (c) above are not approved by the requisite majority of Investors, the Directors shall apply to the Royal Court of Guernsey for an order to place the Company into compulsory liquidation and that a liquidator be appointed. Such liquidator shall wind-up and liquidate the affairs of the Company subject to the Law and the Articles.

In the event of a Special Resolution to extend the life of the Company indefinitely being proposed and approved by the Investors in extraordinary general meeting, the Directors will endeavour, as soon as practicable thereafter, to provide an exit mechanism for those Investors wishing to dispose of their Shares at that date, in terms of which Investors will be provided with an opportunity to dispose of Shares to the Company, the Trust, existing or prospective Investors at the audited Fair Market Value per Share (or such other price as may be agreed between the relevant parties).

The Company will redeem all of the Shares on the Redemption Date. Should all the Investments not have been liquidated, then the redemption may be deferred until such time as all Investments have been liquidated, which liquidation shall be effected as soon as reasonably possible. The redemption price shall be equal to the audited Fair Market Value per Share less any costs associated with the liquidation, if any, at the Redemption Date.

No settlement and registration fees will be payable in respect of redemptions effected on the Redemption Date. The Administrator will pay the redemption proceeds to the relevant Investor, by no later than 5 Business Days after the Redemption Date, by electronic transfer into the bank account specified by the Investor. In the event that invalid banking details of an Investor being available to the Company, the redemption proceeds will be transferred by the Administrator to a trust which trust will hold such redemption proceeds until the earlier of the redemption proceeds being claimed by the relevant Investor or a period of 3 years. If the redemption proceeds are not claimed prior to the expiry of the aforementioned period such redemption proceeds will be paid to a charitable institution. Such Investor will pay an administration charge for this service of 0.1% per annum of the redemption proceeds payable to it.

3. DISTRIBUTIONS *IN SPECIE*

Should:

- (a) the Directors deem it to be in the best interests of Investors; or
- (b) the Company be unable to liquidate all the Investments by the Redemption Date,

then the Company will on the Redemption Date, or as soon as possible thereafter, Distribute such Investments to the Investors as a Distribution *in specie*.

When a Distribution *in specie* is made, the Administrator shall provide Investors with written notice, specifying:

- (a) the date of the proposed Distribution;
- (b) the assets to be Distributed (including, where appropriate, the class and number of securities); and
- (c) the basis on which the Distribution will be made.

If there is a reasonable likelihood that an Investor is prohibited by applicable law or regulation from directly holding any security to be Distributed or in any case in which applicable law or regulations prohibit the issuance or sale to such Investor of the securities which would otherwise be Distributed to such Investor, then the Administrator shall use reasonable endeavours to sell the securities proposed to be Distributed *in specie* to a third party, with the proceeds thereof being Distributed to the relevant Investor; provided that the costs of such sale and any losses or gains in respect thereof shall be for the account of such Investor.

Distributions *in specie* of securities of any class shall be made on the same basis as Distributions of cash, such that any Investor in receipt of the Distributions shall receive the relevant proportionate amount of the total securities of such class available for Distribution or (if such method of Distribution is for any reason impracticable) such that each Investor shall receive as nearly as possible the relevant proportionate amount of the total securities of such class available for Distribution together with a balancing payment in cash in the case of any Investor who shall not receive the full proportionate amount of securities to which he would otherwise be entitled.

The value attributable to any Investment Distributed *in specie* pursuant to this paragraph shall be:

- (a) where the Investment is Distributed on the same day that it achieves a listing, the listing price;
- (b) where the Investment already comprises listed securities, the average of the bid and offer prices of the listed securities for the 5 trading days preceding the Distribution and the 5 trading days following the Distribution; and
- (c) where the Investment is unlisted, the value as determined by the Independent Valuer.

4. FINANCIAL INFORMATION

To assist Investors and prospective Investors in acquiring and disposing of Shares and evaluating the potential returns to be received in respect of their investment, the Directors will estimate the Fair Market Value per Share on a 6 monthly basis, which Fair Market Value per Share will be communicated to Investors. Audited annual financial statements and reviewed interim financial statements of the Company will be sent to Investors within 6 months and 4 months, respectively, of the end of the relevant period to which they relate.

EXPENSES, FEES AND INVESTMENT MANAGER'S BENEFITS

1. EXPENSES

The Company is responsible for all the expenses incurred in the formation and operation of the Company including, but not limited to, the Formation Expenses, Annual Operating Expenses and Adhoc Expenses. In addition, the Company has agreed and acknowledged that the Investment Manager or its Associates shall be entitled to the financial benefits, described in paragraph 3 below.

The Formation Expenses estimated at USD 100,000 which will be paid by the Company from the Company's Funds. In addition, the Company shall reimburse all reasonable out-of-pocket expenses properly incurred by the Investment Manager, the Administrator and each of the Directors in the performance of their duties on behalf of the Company.

2. FEES

Structural Facilitator and Investment Bank Fee

Investec is entitled, for its services as Structural Facilitator and Investment Bank, to receive the Structural Facilitator and Investment Bank Fee which shall be paid to Investec by the Company from the Company's Funds on the date of the listing of the Shares on the Bermuda Stock Exchange, anticipated to be on or about 20 September 2007 in respect of the first offering of Shares in the Company.

Administrator and Secretary Fee

Under the Administration and Secretarial Agreement, the Company has agreed to pay or procure to be paid to the Administrator, for its services as administrator and secretary, a minimum fee of USD 80,000 per annum payable within 20 Business Days of the end of each quarter to which the fee applies, until the Redemption Date or earlier termination of the Administration and Secretarial Agreement.

Distributors' Fees

A Distributors' Fee may be payable as an upfront payment by the Investor to the relevant Distributor, calculated on the aggregate value of the Shares issued by the Company to such Investor introduced by the Distributor to the Company.

Directors' Fees

The Company will pay the Directors a fee which will not exceed USD 10,000 per annum per director for their services, except that Brian P Gilbertson and Arne H Frandsen will not receive any fees for their services as Directors.

The Company will ensure at its own cost that suitable directors and officers insurance cover is in place for all the Directors and officers of the Company.

There are no other Director's fees or benefits in kind receivable by the Directors from the Company, other than as set out in this Prospectus.

For the avoidance of doubt, all the fees described in paragraph 2 above are exclusive of VAT and where VAT is applicable and payable, it will be payable by the Company, except for the Distributors Fees payable by the relevant Investor.

3. INVESTMENT MANAGER'S BENEFITS

Annual Investment Manager's Benefit

The Investment Manager shall, as consideration for the investment advisory and management services provided to the Company in relation to Investment opportunities falling within the Investment Scope, be entitled to an annual benefit that will not exceed:

- (a) during the Investment Period, an amount of 1.5% per annum of the Company's Funds payable quarterly in advance. The Annual Investment Manager's Benefit will be calculated as if the Company's Funds were received effective 1 February 2007; and

- (b) with effect from the end of the Investment Period, an amount of 1.5% per annum of the lesser of the aggregate Acquisition Cost or market value (as determined by the most recent independent valuation) of Unrealised Investments of the Company during the relevant Accounting Period, calculated and payable quarterly in advance.

The Annual Investment Manager's Benefit shall be reduced by an amount equal to such part of all Transaction Receipts received and retained by the Investment Manager in the previous Accounting Period and not previously taken into account pursuant to this paragraph (and if the amount of such reduction is greater than the Annual Investment Manager's Benefit for the Accounting Period in question, the excess amount will be carried forward and off-set against the Annual Investment Manager's Benefit to be allocated in the next Accounting Period(s)).

If, on the Redemption Date, there remains any excess Transaction Receipts which have not been off-set against the Annual Investment Manager's Benefit pursuant to this paragraph, then the Investment Manager shall reimburse the Company for an amount equal to such excess.

The Annual Investment Manager's Benefit shall be subject to a *pro rata* refund to the Company for any period for which a portion of the Annual Investment Manager's Benefit was paid in advance, but during which the Investment Management Agreement has been terminated.

Performance Incentive

The Investment Manager or its Associate, notwithstanding the termination of the Investment Management Agreement other than pursuant to Cause by the Investment Manager, shall be entitled to the Performance Incentive, in respect of Investments made by the Company before the termination of the Investment Management Agreement, calculated as follows:

- (a) all Aggregate Proceeds which are not allocated to further Investments during the Investment Period and/or which are received after the Investment Period, will be allocated entirely to Investors until such time as Investors have received an aggregate amount of the Company's Funds plus the Hurdle;
- (b) following the receipt by Investors of all Aggregate Proceeds equal to the aggregate amount of Company's Funds plus the Hurdle, the Investment Manager or its Associate is entitled to all further Aggregate Proceeds until it has received an amount equal to 25% of the Hurdle; and
- (c) thereafter, Aggregate Proceeds will be allocated 80% to Investors and 20% to the Investment Manager or its Associate.

Post the Investment Period, unless otherwise resolved by Special Resolution and with the prior written consent of the Investment Manager, the Company is obliged to Distribute all Aggregate Proceeds to Investors within 30 Business Days of the receipt of such Aggregate Proceeds, whether through Distributions, the redemption of Shares or otherwise.

4. PAYMENT OF EXPENSES, FEES AND INVESTMENT MANAGER'S BENEFITS

Upon receipt of the Company's Funds, a provision for the Company's Expenses expected to be incurred by the Company over the Investment Term will be made and paid into an interest bearing bank account in the name of the Company ("the Expense Provision").

The Company shall use the Expense Provision to pay the Company's Expenses as and when they become due and payable by the Company.

In the event that there is a surplus in the interest bearing bank account on the Termination Date, such surplus will be Distributed *pro rata* to Investors on such Termination Date.

CONFLICTS OF INTEREST

The Investment Manager and its Associates shall not, except with the prior consent of Investors by means of an Ordinary Resolution, commence investing, or act as the primary source of transactions for a new investment entity with a similar Investment Scope as that of the Company at any time prior to whichever is the earliest to occur of:

- (a) the removal of the Investment Manager as investment manager to the Company;
- (b) the expiry of the Investment Period; and
- (c) the winding-up of the Company.

Thereafter the Investment Manager and its Associates shall be entitled to establish a new entity with a similar Investment Scope and to raise funds for such new entity whilst simultaneously continuing to act as Investment Manager for the Company with a view to managing and Realising Investments.

The Administrator and the Directors, other than Brian P Gilbertson and Arne H Frandsen, may provide similar services to other companies and/or entities even where the business of those other companies and/or entities is or may be in competition with the Company.

In the event that any of the Directors, in accordance with the provisions of the Articles, the Investment Manager and the Administrator, in the ordinary course of business, have potential conflicts of interest with the Company, each will, at all times, have regard in such event to their obligations to the Company and will endeavour to ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal as principal or agent with the Company, provided that such dealings are carried out on normal commercial terms negotiated on an arm's length basis and, in the case of the Directors, in accordance with the Articles.

Certain interests of the Directors are set out in Annexure 1 headed "Directors' Interests" in this Prospectus. The Articles specify the circumstances in which a Director may or may not vote in relation to a matter in which he may be interested, as described in paragraph (4) in Annexure 2 headed "Extracts from the Articles" in this Prospectus. It is noted that Arne H Frandsen and Clive Harris are directors of Fabergé Limited.

None of the Directors have existing or proposed service contracts with the Company. None of the Directors have any contract or arrangement existing at the date of this Prospectus in which the Director is materially interested and which is material in relation to the business of the Company, save for as disclosed in this Prospectus and, in particular, in the case of Brian P Gilbertson and Arne H Frandsen, the Investment Management Agreement.

A Director may own Shares in the Company, but there is no requirement that he or she does so. The Directors and the executives/partners of the Investment Manager may from time to time have beneficial interests in the Investment Manager and/or the Company, as the case may be. Directors, who are executives/partners of the Investment Manager, and the executives/partners of the Investment Manager will be precluded from voting as Investors on any proposal in relation to the Investment Management Agreement, subsequent to the conclusion thereof by the Company.

TAXATION

In Guernsey

The following summary of the anticipated tax treatment in Guernsey applies to Investors.

I. GENERAL

Investors and prospective Investors should consult their professional advisers on the tax consequences of acquiring, holding, disposing, transferring or the redemption of their Shares, which will normally depend upon their country of citizenship, ordinary residence or domicile.

The information below, which relates only to Guernsey taxation, summarises the advice received by the Directors. It is applicable to the Company and to Investors who are resident or ordinarily resident in Guernsey for taxation purposes and who hold Shares in the Company as an investment. It is based on current Guernsey revenue law and published practice, which revenue law or practice is, in principle, subject to any subsequent amendments. This summary does not constitute legal or tax advice and is based on current Guernsey revenue law and published practice existing at the date of this Prospectus. Prospective Investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisers on the implications of acquiring, holding, disposing, transferring or the redemption of their Shares under the laws of the countries in which they are liable to taxation.

The following information does not deal with certain types of Investors, such as Investors acquiring, holding, disposing, transferring or the redemption of their Shares in the course of trade, collective investment schemes or insurance companies.

2. THE COMPANY

The Company will apply to be registered in Guernsey as a tax exempt company and, therefore, will not be resident in Guernsey for the purposes of liability to Guernsey income tax. Under current Guernsey revenue law and published practice, the Company, if tax exempt, will only be liable to tax in Guernsey in respect of income arising in Guernsey, other than bank deposit interest. A fee of approximately GBP 600 per annum is payable to the States of Guernsey (the Government) in respect of the Company's tax exempt status and an application for tax exempt status must be submitted annually to the Guernsey Income Tax Office.

It is a condition of the tax exemption that no investment or other property situated in Guernsey, other than a relevant bank deposit or an interest in another body to which an exemption from tax has been granted, is acquired or held.

In response to the review carried out by the European Union Code of Conduct Group, the Policy Council of the States of Guernsey has announced that the States of Guernsey intend to abolish tax exempt status for the majority of companies with effect from January 2008 and to introduce a zero rate of tax for companies carrying on all but a few specified types of regulated business. However, the States of Guernsey Administrator of Income Tax has advised that because existing categories of tax exempt vehicles were not regimes in Guernsey that were classified by the European Union Code of Conduct Group as being harmful, it is intended that the Company will continue to be able to apply for tax exempt status for Guernsey tax purposes after 31 December 2007.

These proposals are yet to be enacted. The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in 2011 or 2012, including the introduction of a goods and services tax, depending on the States of Guernsey's public finances at that time.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax), gifts, sales or turnover, nor are there any estate duties, save for an *ad valorem* fee for the grant of probate or letters of administration. Document duty is payable, up to a maximum of GBP 5,000 in the lifetime of a company incorporated in Guernsey, on the creation or increase of authorised share capital, at the rate of 0.5% of the amount of the authorised share capital of that company. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of Shares.

3. INVESTORS

Guernsey does not levy capital gains tax (with the exception of a dwellings profit tax) and, therefore, neither the Company nor any of its Investors should be required to pay any tax in Guernsey on capital gains. Payments made by the Company to non-Guernsey resident Investors, whether made during the life of the Company or by Distribution on the liquidation of the Company, will not be subject to Guernsey tax.

Whilst the Company is no longer required to deduct Guernsey income tax from dividends on any Shares (if applicable) paid to Guernsey resident Investors, the Company is required to make a return to the Guernsey Administrator of Income Tax of the names, addresses and gross amounts of income distributions paid to Guernsey resident Investors during the previous year, on an annual basis, when renewing the Company's exempt tax status, as described in paragraph (2) above.

With regard to the proposals for the restructuring of the corporate tax regime in Guernsey from 2008, discussed in paragraph (2) above, other than those above-mentioned amendments, no further amendments are currently proposed that would impact upon the position of non-Guernsey resident Investors. Such Investors should not be subject to Guernsey tax on disposing, transferring or the redemption of their Shares.

Investor Taxation

As the investment is in the Shares of the Company, the tax consequences relating to the investment will depend on the nature and status of each Investor. Prospective Investors should seek advice from their own independent professional advisers in relation to the taxation consequences of acquiring, holding, disposing, transferring or the redemption of their Shares.

RISK FACTORS

Making an investment in Shares carries a level of inherent risk. Prospective Investors should carefully consider the risks associated with investing in the Company and seek professional advice before making such a decision.

Set out below are some of the potential risks which should be considered by a prospective Investor in determining whether an investment in the Company is a suitable investment.

1. SUITABILITY OF INVESTMENT

Prospective Investors are not to construe the contents of this Prospectus as financial, tax or legal advice. Prior to subscribing for Shares, a prospective Investor should consult with his financial, tax and legal advisers to determine the appropriateness and consequences of an investment in the Company.

2. NATURE OF INVESTMENT

Investment results may vary substantially over time, and there can be no assurance that the Company will achieve any particular rate of return. Investment results are reliant upon the success of the Investment Manager and there can be no guarantee that the Investment Objectives of the Company will be achieved.

Whilst the Investment Manager may consult with third party experts about certain aspects of the Company's business, the Company will be advised exclusively by the Investment Manager. Investors must be willing to rely to a significant extent on the Investment Manager's discretion and judgment as well as the expertise of its advisers and other contractors.

The investment performance of the Company will depend, in part, upon general macro economic conditions and the condition of the natural resources industry in particular which are beyond the control of the Investment Manager.

Planned capital budgets may, for these reasons, be exceeded on Investments, thus reducing Investor returns. Investments in natural resources and luxury goods brands companies involve a high degree of risk and investments in the Company should be made only by those who can bear and understand such risks.

3. INVESTMENTS IN UNLISTED ENTITIES

Investments in unlisted entities, such as those the Company is likely to make, are intrinsically riskier than investments in listed entities as such unlisted entities may be smaller, more vulnerable to changes in markets and technology, relatively illiquid and dependent on the skills and commitment of a small management team. Information on the financial and operational performance of unlisted entities is likely to be more difficult to obtain and may be less reliable than would be the case for listed entities.

Investments may be illiquid, long-term in nature, difficult to value and subject to legal and other restrictions on transfer. There can be no assurances that the Company will be able to liquidate a particular Investment at the time and on the terms it desires.

4. PAST PERFORMANCE NOT INDICATIVE OF FUTURE PERFORMANCE

When reviewing the track record and other historical performance of the Key Men and the Investment Manager, prospective Investors should bear in mind that past performance is not necessarily indicative of future performance.

5. SOURCING OF INVESTMENTS

The success of the Company largely depends on the ability of the Investment Manager to identify, evaluate, execute and Realise Investments. There is no guarantee that suitable Investments can or will be acquired nor that Investments will be successful, and, in the event of the failure of an Investment Vehicle, part or all of the Investment may be lost. The Investment Manager may be unable to identify and secure a sufficient number of Investments to meet the Company's Investment Objectives.

6. GENERAL RISKS OF INVESTMENTS

The businesses of the entities in which the Company invests may be adversely affected by global or local economic, political, environmental or other factors beyond the control of those entities, the Investment Manager or the Company.

7. EARLY STAGE INVESTMENT

The Company may invest part of the Company's Funds in entities involved in the early stages of development, including exploration which may involve significant uncertainties.

8. UNCERTAIN NATURE OF MINING

The exploration for, development, mining and processing of mineral deposits involves significant uncertainties and such an Investment's operations will be subject to all of the hazards and risks normally encountered in such activities. These hazards and risks include unusual and unexpected geological formations, rock falls, flooding, technological difficulties, metallurgical complexities and other climatic conditions, any one of which could result in damage to, or destruction of, an Investment's facilities or property, environmental damage or pollution and, together with potential, legal liability could have a material adverse impact on the business, operations and financial performance of the Investment. Although precautions to minimise such risk will be taken, even a combination of careful evaluation, experience and knowledge of such risk may not mitigate against or eliminate all of the hazards and risks.

9. OPERATIONAL RISK

As is common with all mining and associated processing or beneficiation ventures and luxury goods brands, there is uncertainty and risk associated with an Investment's operating parameters and costs that can be difficult to predict and are often affected by factors outside the Investment's control. With all natural resources operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Natural resources exploration, extraction and processing activities are speculative in nature and there can be no assurance that any minerals deposits will be discovered, successfully extracted or processed.

10. LEGISLATION CHANGE RISKS

Natural resources exploration, extraction and processing activities are subject to various laws governing prospecting, development, production taxes, labour standards and occupational health, site safety, toxic substances and other matters. No assurances can be provided that new rules and regulations will not be enacted or that existing or future rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development of an Investment. Amendments to current laws and regulations governing operations and activities of exploration, extraction and processing, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of an Investment.

11. MARKET VOLATILITY

The market price of minerals and natural commodities is volatile and affected by numerous factors which are beyond the control of the Company. These factors include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in the market price of minerals and natural commodities could render less economic, or uneconomic, some or all of the activities undertaken by an Investment.

12. ENVIRONMENTAL COMPLIANCE RISK

Natural resources exploration, extraction and processing activities are subject to various laws and regulations relating to the protection of the environment. The operations of an Investment may require approval by relevant environmental authorities. A breach of such laws and regulations may result in the imposition of fines and penalties or closure of operations, and no assurances can be provided that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development of an Investment. Amendments to the current laws and regulations governing the protection of the environment, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of an Investment.

13. RISK OF LIMITED NUMBER OF INVESTMENTS

There can be no assurance that the Investment portfolio of the Company will be adequately diversified against Investment or market specific risk. The Company will participate in a limited number of Investments and, as a consequence, the aggregate return to an Investor may be substantially adversely affected by the unfavourable performance of a single Investment.

14. COMPETITION FOR INVESTMENTS

Companies that are invested in the natural resources sector may have many alternative sources of capital and the competition for Investments may be intense, especially during periods of favourable industry conditions. There can be no assurance that the Investment Manager will be able to identify and implement Investments or that it will be able to fully invest the Company's Funds. If a limited number of Investments are made, poor performance of a small number of such Investments could significantly affect returns of an investment in the Company.

15. LITIGATION RISK

Investment in the Company involves certain risks normally associated with an investment company, which includes the risk that a party may successfully litigate against the Company, which may result in a reduction in the assets of the Company. As at the date of publication of this Prospectus, the Directors are not aware of any existing or pending litigation against the Company.

16. INDEMNIFICATION OF THE INVESTMENT MANAGER

Subject to certain limitations in the Investment Management Agreement, the Company will indemnify the Investment Manager against claims or liabilities in respect of their activities on behalf of the Company. Accordingly, certain actions brought against the Investment Manager will be satisfied solely from the assets of the Company, and the Company will have no recourse against the Investment Manager except under the limited circumstances as set out in the Investment Management Agreement.

17. LACK OF OPERATING HISTORY

The Company is newly formed and has no operating history upon which Investors can evaluate likely performance.

18. RESTRICTED LIQUIDITY IN SHARES

The Company is likely to be committing the Company's Funds to Investments of a long-term and illiquid nature whose shares or instruments are not listed or dealt on any stock exchange. Such Investments are likely to involve a high degree of risk, and the timing of cash distributions to Investors is uncertain and unpredictable. Investors may not receive back all or any of the amounts which they invest in the Company.

The attention of prospective Investors is drawn to the fact that prior to the Redemption Date Investors have no right to have their Shares redeemed by the Company. Prior to the Redemption Date, the only way to realise an investment in the Company may be by selling Shares in the secondary market. The Directors do not expect an active secondary market to develop in the Shares and an investment in the Company is therefore only appropriate for Investors who are prepared to commit their investment on a medium to long-term basis.

Shares carry no rights for the Investor to require the Company to redeem or repurchase Shares, although the Directors have the power to repurchase or require the transfer of Shares as described in Annexure 2 headed "Extracts from the Articles – Compulsory Transfer or Repurchase of Shares" in this Prospectus.

In the event that an Investor wishes to sell Shares, the Broker will endeavour to facilitate the sale of the relevant Shares to a willing buyer or the Trust, but no undertaking can be given that a willing buyer will be found or that the Trust will in fact purchase the Shares and there is no certainty with regard to the value that a buyer or the Trust will be prepared to offer for the Shares.

19. SOPHISTICATED INVESTORS

Whilst an investment in the Company can offer the potential of higher than average returns it also involves a correspondingly higher degree of risk and is only considered appropriate for Sophisticated Investors who can afford to take that risk, which may include the risk of the loss of the entire investment. The Sophisticated Investor must have

extensive knowledge and experience in financial and business matters and be capable of evaluating such merits and risks. Each Investor represents, as part of his application for Shares that he satisfies these criteria and that he is acquiring the Shares for investment.

20. TAX AND REGULATORY CHANGES

An investment in the Company involves complex tax considerations which may differ for each Investor. Accordingly, Investors are advised to consult their own professional tax advisers before investing in the Company.

Any tax legislation and its interpretation, and the legal and regulatory regimes which apply in relation to an investment in the Company as well as the Investments may change during the life of the Company. Accounting practice may also change, which may affect, in particular, the manner in which the Investments are valued and/or the way in which income or capital gains are recognised.

21. FOREIGN INVESTMENT RISK

The Company expects to invest the Company's Funds in companies and/or other entities that have a focus on global natural resources and in the Approved Investment. Such Investments will involve special risks, including disadvantageous regulatory, tax or trade policies, nationalisation, currency fluctuations or foreign exchange controls and exposure to local economic conditions.

22. EXCHANGE RATE RISK

The Shares are denominated in United States Dollars. Any Investor who anticipates a return in a currency other than United States Dollar will bear the risk of an adverse change in the exchange rate between the United States Dollar and that other currency and any resultant reduction in the value of the investment when denominated in that other currency.

Some Investments may be in currencies other than United States Dollars and unfavourable exchange rate movements between those currencies and the United States Dollar will affect the Fair Market Value per Share of the Company. In addition, the Company may incur costs in connection with conversions between various currencies. The Company may seek to hedge any exposure to fluctuations in currency exchange rates, but there can be no assurance that any such strategy will be successful.

23. LACK OF INVESTOR CONTROL

Investors will have no opportunity to control the day to day operations, including Investment and Realisation decisions, of the Company as these activities will be undertaken by the Board.

The Company may be a minority shareholder in certain Investments and, therefore, may not always be in a position to protect its interests effectively.

The Company may make distributions *in specie* of Investments in certain circumstances. Following any such distribution, each Investor is likely to be a minority shareholder in the relevant Investment, and is unlikely to be able to exercise any, or any significant, control over such Investment.

Any Investment in an Investment Vehicle, held by the Company together with selected strategic equity partners, will be governed in accordance with the relevant shareholder agreement for such Investment Vehicle and accordingly there can be no assurance that the Company will be able to exit its Investment in an Investment Vehicle at the time it so desires.

24. GEARING

The Company may be geared through borrowings of up to 30% of the value of the Company's assets, which borrowings may be secured by the Company's assets. In the event that the cost of the Company's borrowings exceeds the return on the Investments, the borrowings will have a negative effect on the Company's performance. A relatively small movement in the value of the Investments or the amount of income derived therefrom may result in a disproportionately large movement, unfavourable or favourable, in the Fair Market Value per Share of the Company or the amount of income received in respect thereof.

In the event that the Company enters into a bank facility agreement or funding agreement, such agreement may contain financial covenants. In particular, such an agreement may require that the Company has assets exceeding a fixed

percentage of the value of any loan outstanding. If a fall in the value of the Company's assets results in a breach of any such financial covenant, or if any other covenant is breached, the Company may be required to repay the borrowings in whole, or in part, together with any attendant costs including the costs of terminating any interest rate swap transaction. Amounts owing under bank facilities will rank ahead of Investors and returns may therefore be adversely affected by an early repayment.

The Company may, in relation to certain transactions, provide warranties, guarantees and/or indemnities to third parties. Consequently, it may need to apply the assets of the Company to satisfy such contingent liabilities.

25. COUNTRY RISK

Each country in which the Company may invest will have its own set of risks relating to legislation, tax, language and the market. The Directors will assess these country specific risks prior to making an Investment, however Investors should be aware that the success of the Investment may be affected by the political and economic stability of the relevant countries in which Investments are acquired.

The abovementioned risk factors are not intended to be comprehensive and there may be other risk factors that relate to or may be associated with an investment in the Company.

GENERAL INFORMATION

I. COMMENCEMENT OF BUSINESS

The Company was incorporated on 4 September 2007 and has not yet commenced business. Accordingly no accounts have been prepared for presentation to prospective Investors and no dividends have been declared or paid.

2. INCORPORATION AND SHARE CAPITAL

- (a) The Company was incorporated with limited liability in Guernsey under the provisions of the Companies (Guernsey) Laws, 1994 to 1996 (as amended) as an investment company limited by shares.
- (b) The Company has an authorised share capital of USD 10,000 consisting of 999,000 Shares with a par value of USD 0.01 and 10 Management Shares of USD 1.00 each.
- (c) Except as disclosed above, no share or loan capital of the Company has been issued or agreed to be issued and no share or loan capital of the Company is proposed to be issued or is under option or agreed unconditionally to be put under option, other than as disclosed in this Prospectus. No Investor has a direct or indirect interest of 5% or more of the nominal value of the Shares, although the possibility exists that accumulations in excess of 5% could occur pursuant to the Offer.
- (d) There are no provisions of Guernsey law which confer pre-emption rights to Investors on any subsequent allotment of Shares for cash. However in the event of a subsequent offering of Shares, Shares will be offered to Investors and prospective Investors on the same terms and conditions.

3. CERTIFICATE

Title to the Shares is evidenced by entries on a register of Investors. Certificates for Shares and confirmation of registration will not be issued unless specifically requested. If issued, certificates will be posted by the Administrator at the risk of Investors.

4. INDEMNITIES

- (a) Subject to (g) below, the Company shall indemnify each of the Indemnified Persons against any liabilities, claims, costs or expenses (including reasonable legal fees) suffered or incurred or threatened by reason of such Indemnified Person's activities under the relevant agreements, if applicable, concluded between such Indemnified Persons and the Company provided however that such person shall not be so indemnified with respect to any matter resulting from its Cause.
- (b) Without prejudice to the generality of the foregoing, and subject to the terms hereof, the Company agrees to pay all reasonable costs and expenses incurred by any Indemnified Person in defending, resisting or investigating any threatened or pending action, claim or proceeding in respect of which the Indemnified Person claims to be entitled to be indemnified pursuant to this paragraph (4) in advance of the final determination of such action, claim or proceeding upon receipt of a legally binding undertaking by or on behalf of such Indemnified Person to repay such amount if it shall subsequently be determined by a court of competent jurisdiction that such Indemnified Person is not entitled to be so indemnified or receive a contribution in accordance herewith.
- (c) The provisions of this paragraph shall continue in effect notwithstanding that the Indemnified Person shall have ceased to carry out its respective activities under the relevant agreement, if applicable, but only as regards the services provided in the period prior to and including such cessation (but not thereafter).
- (d) Each Indemnified Person will be entitled to enforce the provisions of this paragraph (4).
- (e) Any Indemnified Person shall first seek recovery under any other indemnity or any insurance policies by which such indemnified Person is indemnified or covered, as the case may be, but only to the extent that the indemnifier with respect to such indemnity or the insurer with respect to such insurance policy provides (or acknowledges its obligation to provide) such indemnity or coverage on a timely basis, as the case may be.
- (f) The Investment Manager will use reasonable efforts to ensure that each Investment Vehicle for which an Indemnified Person serves as a director or officer (i) has adopted charter documents providing mandatory

indemnification therefor to the fullest extent permitted by law and (ii) obtains director and officer insurance to the extent available at market related rates.

- (g) The Company's obligations under this indemnity shall:
- (i) where the matter requiring the indemnity arises from an Investment in an Investment Vehicle with one or more selected strategic equity partners, on a case-by-case basis, be several and in proportion to the Investment Amount paid in relation to the Investment Vehicle;
 - (ii) where the matter requiring the indemnity arises from a specific Investment, be several in proportion to its respective Investment Amount in that Investment; and
 - (iii) in either case, shall be limited to the higher of the applicable Investment Amount(s) and any amounts Realised in relation thereto, either in respect of the arrangements contemplated in the Investment Vehicle agreement or the specific Investment, as the case may be.

5. NET ASSET VALUE OF THE COMPANY

The NAV of the Company is the value of the assets of the Company less the total liabilities attributable to it and a provision for, if applicable, the Performance Incentive. The value of the assets of the Company and the amount of its liabilities shall be determined by the Board as follows:

- (a) The assets of the Company shall be deemed to include the following:
- (i) Investments;
 - (ii) all cash on hand, on loan or on deposit, or on call, including any interest accrued thereon;
 - (iii) all bills, demand notes, promissory notes and accounts receivable;
 - (iv) all interest accrued on any interest-bearing securities owned by the Company; and
 - (v) all other assets of the Company of every kind and nature, including prepaid expenses as valued by the Auditors.
- (b) The assets of the Company shall be valued as follows:
- (i) unlisted Investments shall be valued by the Independent Valuer which valuations shall be performed on a 6 monthly basis in accordance with the valuation guidelines contained in the International Private Equity and Venture Capital Reporting Guidelines, which became effective from 1 January 2005 (as amended, supplemented or replaced from time to time);
 - (ii) Investments which are listed or quoted on any securities exchange or similar electronic system and regularly traded thereon shall be valued at its last traded price on the relevant Business Day or, if no trades occurred on such Business Day, at the closing bid price, as at the relevant Business Day and as adjusted in such manner as the Directors, in their sole discretion, deem fit, having regard to the size of the holding and where prices are available on more than one exchange or system for a particular Investment, the Directors shall in their discretion determine which of those prices shall apply;
 - (iii) cash on hand or on deposit, pre-paid expenses, cash dividends and interest declared or accrued and not yet received shall be valued at their full nominal amount unless, in any case, the Directors are of the opinion that the same is unlikely to be paid or received in full in which case their value will be arrived at after making such discount as the Directors may consider appropriate in such case to reflect their true value;
 - (iv) demand notes, promissory notes and accounts receivable shall be valued at their face value or full amount after making such discount as the Directors may consider appropriate to reflect their true current value;
 - (v) deposits shall be valued at their principal amount plus accrued interest from the date of acquisition;
 - (vi) certificates of deposit, treasury bills, bank acceptances and trade bills shall each be valued (on the basis of a notification to the Directors by a person approved by the Board for the purposes of this paragraph whose business includes dealing in or effecting transactions in the relevant Investment) according to the normal dealing practice in, and at the price of, the relevant Investment at close of business (or as near thereto as may be practicable whether before or after close of business) on the relevant Business Day; and
 - (vii) Investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution, shall be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average shall be taken between the lowest offer price and the highest bid price at the close of business on the relevant Business Day on any market on which such Investments are or can be dealt in or traded, provided

that where such Investments are dealt in or traded on more than one market, the Directors may determine at their discretion, which markets shall prevail and provided also that the Directors, at their absolute discretion, may permit some other method of valuation to be used if they consider that it better reflects value and is in accordance with International Financial Reporting Standards.

- (c) If in any case a particular value is not ascertainable as provided above or if the Directors and/or the Independent Valuer considers that some other method of valuation better reflects the fair value of the relevant Investment, then in such case the method of valuation of the relevant Investment shall be such as the Directors and/or the Independent Valuer shall decide.
- (d) Notwithstanding the foregoing, where at the time as of which the assets are being valued, any Investment of the Company that has been Realised or contracted to be Realised, there shall be included in the assets of the Company in place of such Investment the net amount receivable by the Company in respect thereof provided that, if the net amount receivable is not then known exactly, then its value shall be the net amount estimated by the Directors and/or the Independent Valuer as receivable by the Company, and if the net amount receivable is not payable until some future time after the time as of which the assets are being valued, the Directors and/or the Independent Valuer may make such allowances as it considers appropriate.
- (e) Any valuations made pursuant to the Articles shall be binding on all persons.
- (f) The liabilities of the Company shall be deemed to include all its liabilities (including such amount as the Directors and/or Auditors determine to provide in respect of contingent liabilities) of whatsoever kind.
- (g) The provision for the Performance Incentive shall be calculated in accordance with the terms set out in the section headed "Fees, Expenses and Investment Manager's Benefits" in this Prospectus.
- (h) If in any case a particular value is not ascertainable as provided above or if the Directors and/or the Independent Valuer considers that some other method of valuation better reflects the fair value of the relevant Investment, then in such case the method of valuation of the relevant Investment shall be such as the Directors and/or the Independent Valuer shall decide.
- (i) Notwithstanding the foregoing, where at the time as of which the assets are being valued, any Investment of the Company that has been Realised or contracted to be Realised, there shall be included in the assets of the Company in place of such Investment the net amount receivable by the Company in respect thereof provided that, if the net amount receivable is not then known exactly, then its value shall be the net amount estimated by the Directors and/or the Independent Valuer as receivable by the Company, and if the net amount receivable is not payable until some future time after the time as of which the assets are being valued, the Directors and/or the Independent Valuer may make such allowances as it considers appropriate.

6. LITIGATION AND ARBITRATION

At the date of this Prospectus the Company is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration since the incorporation of the Company.

7. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection free of charge, for a period of not less than 10 Business Days from the date of this Prospectus at any time during normal business hours on any Business Day and copies thereof may be obtained on payment of a reasonable fee, at the registered office of the Company and, also at the offices of First Bermuda Group Limited of Maxwell R Roberts Building, 1 Church Street, Hamilton HM11, Bermuda:

- (a) the Memorandum and Articles;
- (b) the contracts referred to under in Annexure 3 headed "Material Contracts" to this Prospectus;
- (c) when available, copies of the most recent interim and audited annual financial statements of the Company;
- (d) the Companies (Guernsey) Laws, 1994 to 1996 (as amended);
- (e) a list of past and present directorships and partnerships held by the Directors and executives/partners of the Investment Manager over the last 5 year period;
- (f) a copy of this Prospectus; and
- (g) the register of Investors of the Company. The register is available for inspection at any time during normal business hours on any Business Day at the offices of the Administrator.

8. REPORTS AND FINANCIAL STATEMENTS

The financial statements, books and records of the Company will be prepared and maintained, in accordance with International Financial Reporting Standards and denominated in United States Dollars.

The Accounting Period of the Company will end on 31 December each year. The first accounting period will end on 31 December 2007. Electronic copies of audited annual financial statements and reviewed interim financial statements will be published on the Company's website and sent to Investors at their registered e-mail addresses. Audited annual financial statements and reviewed interim financial statements will not be posted other than pursuant to receipt by the Administrator of a specific written or e-mailed request. Audited annual financial statements and reviewed interim financial statements of the Company will be sent to Investors within 6 months and 4 months, respectively, of the end of the relevant period to which they relate.

9. DIVIDEND POLICY

The Company may pay dividends to the extent that it has profits available for Distribution. Any dividends paid will be paid in accordance with the Articles, the policy of the Bermuda Stock Exchange and the Law.

10. SHARE CERTIFICATES

Shares will be in registered form. Certificates will only be issued upon request from registered Investors. The register of Investors will be maintained at the office of the Administrator.

11. GENERAL MEETINGS

The Board shall convene a general meeting of the Company as an annual general meeting in each calendar year at which the Directors and the executives/partners of the Investment Manager will report on the progress of the Company and its Investments in addition to any other meetings held in that year; and shall specify the meeting as such in the notice thereof. The first annual general meeting shall be held by no later than 30 June 2008 and not more than 15 months shall elapse between the date of one annual general meeting of the Company and the next.

The annual general meeting of the Company will be held in Guernsey or such other place as the Directors may determine. Notices convening the annual general meeting in each year; at which the audited annual financial statements of the Company will be presented, will be sent to Investors at their registered addresses by no later than 15 Business Days before the date set for the meeting.

Other general meetings may be convened from time to time by the Directors by sending notices to Investors at their registered addresses or by Investors requisitioning such meetings in accordance with Guernsey law, and may be held in Guernsey or elsewhere. Investors holding at least one tenth of the issued Shares between them may convene an extraordinary general meeting.

12. MISCELLANEOUS

- (a) No person has, or is entitled to be given, an option to subscribe for Shares.
- (b) No Shares have been or will be issued as partly paid-up, and no Shares have been issued or agreed to be issued otherwise than in cash.
- (c) The Company does not have a place of business in the United Kingdom or South Africa.
- (d) Copies of all the "Material Contracts" set out in Annexure 3 headed "Material Contracts" in this Prospectus are held by the Administrator (or its nominated agent) on behalf of the Company.
- (e) Any dispute resulting from this Prospectus will be governed by Guernsey law.

13. GENERAL

- (a) The Company does not have and does not expect to have, nor has it since its incorporation had any employees.
- (b) The Company is liable for all the Formation Expenses, Annual Operating Expenses, Adhoc Expenses, Structural Facilitator and Investment Bank Fee and the Annual Investment Manager's Benefit and the Performance Incentive.

- (c) The Company may be subject to withholding tax on distributions received in respect of its Investments, which withholding tax may not be recoverable.
- (d) No share or loan capital of the Company has been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash.
- (e) The Shares are offered and will be issued pursuant to the resolution of the Directors dated 4 September 2007 and as provided for in the Articles.
- (f) Save as disclosed under the section headed "Fees, Expenses and Investment Manager's Benefits" in this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.
- (g) Save as disclosed under the section headed "Fees, Expenses and Investment Manager's Benefits " in this Prospectus, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any Shares or loan capital.
- (h) Since the date of incorporation of the Company, the Company has not commenced operations, no financial accounts have been drafted and no dividends have been declared or paid. There are there any pending or threatened litigation or claims against the Company.
- (i) As at 4 September 2007 the Company has neither any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, obligations under finance leases, hire purchase commitments, guarantees or other contingent liabilities, save as set out in this Prospectus.
- (j) All consents, approvals, authorisations or other orders of all regulatory authorities (if any) required by the Company under the laws of Guernsey for the Offer; for the Administrator to undertake its obligations under the Administration Agreement and for the establishment and management of the Company have been obtained.
- (k) Each of the Investment Manager; attorneys, Administrator; Structural Facilitator and Investment Bank, Listing Sponsor; Annual Sponsor; Broker and the commercial banks as set out in the section headed "Corporate Information" in this Prospectus have consented in writing to act in the capacities stated, and to their names being included in the capacities stated in this Prospectus. None of these consents have been withdrawn prior to the date of publication of this Prospectus.
- (l) Audited annual financial statements and reviewed interim financial statements of the Company will be sent to the Company Announcements Office of the Bermuda Stock Exchange within 6 months and 4 months, respectively, of the end of the relevant period to which they relate. Audited annual financial statements reviewed and interim financial statements will be published and sent to Investors within the same time periods.

DIRECTORS' INTERESTS

Other directorships of the Directors and the executives and/or partners of the Investment Manager held currently and during the previous 5 year period, from the date of this Prospectus are set out in the table below:

Name	Directorship/partnerships	Country	Status
Brian P Gilbertson	Mean Variance Portfolios (Pty) Limited	South Africa	Current
	Woolston View Properties (Pty) Limited	South Africa	Current
	F&W Properties (Pty) Limited	South Africa	Current
	Pallinghurst Resources LLP (Member)	United Kingdom	Current
	Pallinghurst (Cayman) General Partner LP (GP) Limited	Cayman Islands	Current
	Pallinghurst Founder GP Limited	Cayman Islands	Current
	Renova Feeder LP (GP) Limited	Cayman Islands	Current
	Pallinghurst-Utima (Cayman) Limited	Cayman Islands	Current
	OAO SUAL Holdings	Russia	Resigned
	Emergofin BV	The Netherlands	Resigned
	Vedanta Resources plc	United Kingdom	Resigned
	Incwala Resources (Pty) Limited	South Africa	Resigned
	BHP Billiton plc	United Kingdom	Resigned
	BHP Billiton Limited	Australia	Resigned
Arne H Frandsen	Fabergé Limited (formerly Project Egg Limited)	Cayman Islands	Current
	Pallinghurst (Cayman) GP Limited	Cayman Islands	Current
	Pallinghurst Consolidated (Cayman) Limited	Cayman Islands	Current
	Pallinghurst (Cayman) Founder Limited	Cayman Islands	Current
	Rox Limited	Cayman Islands	Current
	Pallinghurst Resources LLP (Member)	United Kingdom	Current
	Pallinghurst Resources Australia Limited	Australia	Current
	Pallinghurst Investor (Dutch) BV	The Netherlands	Current
	Incwala Resources (Pty) Limited	South Africa	Resigned
	Eastern Platinum Limited	South Africa	Resigned
	Western Platinum Limited	South Africa	Resigned
Stuart Platt-Ransom	Legis Trust Limited	Guernsey	Current
	Nomos Trustees Limited	Guernsey	Current
	Legis (MR.L) Limited	Guernsey	Current
	Legis Group (BVI) Limited	Guernsey	Current
	First Ovalap Limited	Guernsey	Current
	Second Ovalap Limited	Guernsey	Current
	Third Ovalap Limited	Guernsey	Current
	Fourth Ovalap Limited	Guernsey	Current
	Fifth Ovalap Limited	Guernsey	Current
	Sixth Ovalap Limited	Guernsey	Current
	Ovalap Nominees Limited	Guernsey	Current
	Legis Maritime Services Limited	Guernsey	Current
	Legis Nominees Limited	Guernsey	Current
	Legis Insurance Services Limited	Guernsey	Current
	Ionic Limited	Guernsey	Current
	Doric Limited	Guernsey	Current
	Legis Fund Services Limited	Guernsey	Current
	Legis Corporate Services Limited	Guernsey	Current
	Ovaco Limited	Guernsey	Current
	Lapco Limited	Guernsey	Current
Legis Group Limited	Guernsey	Current	
Legis BVI Limited	Guernsey	Current	

Name	Directorship/partnerships	Country	Status
Clive Harris	Pendragon Field Holdings Limited	Cayman	Current
	Tintagel Financial Limited	Cayman	Current
	Fundamental Capital Management Limited	Cayman	Current
	FCM Absolute Return Fund	Cayman	Current
	Halberdier Alius Fund	Cayman	Current
	Halberdier Alius Portfolio	Cayman	Current
	Marathon European Hedge Fund Limited	Cayman	Current
	Highbridge Event Driven/Relative Value Fund, Limited	Cayman	Current
	The Carrousel Fund Limited	Cayman	Current
	Fides Asset Management Limited	Cayman	Current
	Fides Capital Growth Fund Limited	Cayman	Current
	Fides Absolute Appreciation Fund Limited	Cayman	Current
	Highbridge Capital Corporation	Cayman	Current
	Highbridge Long/Short Equity Fund, Limited	Cayman	Current
	Innovation Fund	Cayman	Current
	Highbridge G.P. LLC	Delaware	Current
	Highbridge G.P. Limited	Cayman	Current
	The Kintaro Fund	Cayman	Current
	NinePeaks Multi-Strategy Fund Limited	Cayman	Current
	Highbridge Statistically Enhanced Equity Fund, Limited	Cayman	Current
	Highbridge Asia Opportunities Fund, Limited	Cayman	Current
	Highbridge Convertible Arbitrage Fund, Limited	Cayman	Current
	ZAM Asset Finance Fund Limited	Cayman	Current
	23 Bellevue Road	Cayman	Current
	Highbridge Fixed Income Opportunity Fund Limited	Cayman	Current
	ZAM Specialist Opportunities Fund Limited	Cayman	Current
	ZAM Cayman Limited	Cayman	Current
	The Dynamo Fund	Cayman	Current
	The Daytona Fund	Cayman	Current
	HSE Partners Limited	Cayman	Current
	EG Capital Market Fund (SPC) Limited	Cayman	Current
	Highbridge Statistically Enhanced Equity Portfolio – Europe, Limited	Cayman	Current
	Highbridge Statistically Enhanced Equity Portfolio – Japan, Limited	Cayman	Current
	Highbridge Long/Short Institutional Fund, Limited	Cayman	Current
	Highbridge Fixed Income Opportunity Institutional Fund, Limited	Cayman	Current
	Energy Capital Management Limited	Cayman	Current
	Atlas Insurance Management (Cayman) Limited	Cayman	Current
	Oasis Funds SPC	Cayman	Current
	FFTW Global Credit Fund SPC	Cayman	Current
	FFTW US LIBOR Plus Fund Limited	Bermuda	Current
EuroCapital Fund	Cayman	Current	
Alpha Strategies Fund Inc	Cayman	Current	
Index Partners Inc	Cayman	Current	
Highbridge Statistical Opportunities Fund Limited	Cayman	Current	
Marathon Vertex Japan Fund Limited	Cayman	Current	
Riverview Multi Series Fund SPC, Limited	Cayman	Current	
Riverview Multi Series International Fund SPC, Limited	Cayman	Current	
Riverview Focus Fund (Cayman), Limited	Cayman	Current	
EG Strategic Fund (SPC) Limited	Cayman	Current	
Modular Capital One (MC-1)	Cayman	Current	
The Milestone Offshore Funds	Cayman	Current	
The Packard Fund Limited	Bahamas	Current	
Intercontinental Diversified Corp	Cayman	Current	
Fiduciary Management Services Limited	Cayman	Current	
Texel Macro Master Fund Limited	Cayman	Current	
Texel Macro Fund Limited	Cayman	Current	
Texel Capital Management Limited	Cayman	Current	

Name	Directorship/partnerships	Country	Status
Clive Harris (continued)	5 Nicosia Road	Cayman	Current
	Euboulos Management Limited	Cayman	Current
	FIOF Japan Limited	Cayman	Current
	Cobalt Hill Capital Limited	BVI	Current
	Petrofond S.A.	Luxemborg	Current
	Pallinghurst (Cayman) GP Limited	Cayman	Current
	Faberge Limited	Cayman	Current
	Pallinghurst (Cayman) Founder Limited	Cayman	Current
	Pallinghurst Consolidated (Cayman) Limited	Cayman	Current
	Rox Limited	Cayman	Current
	Innovation Management Limited	Cayman	Current
	HB Commodity Strategies Fund, Limited	Cayman	Current
	JSM IndoChina Limited	Cayman	Current
	Marathon Fulcrum Japan Fund Limited	Cayman	Current
	OEI Mac Inc	Cayman	Current
	Odey European Inc	Cayman	Current
	Odey Treasury Fund	Cayman	Current
	Odey Asia	Cayman	Current
	Odey Japan & General Inc	Cayman	Current
	Ottoman Fund	Cayman	Current
	Odey Tactical Advantage	Cayman	Current
	Odey Capital Strategies	Cayman	Current
	Dune Limited	Cayman	Current
	Aquatic Management Limited	BVI	Resigned
	Glendower Limited	Cayman	Resigned
	Hathaway Trading Limited	Cayman	Resigned
	Hemswell Limited	Isle of Man	Resigned
	Intergulf Food Inc. (formerly Falstaff Investments Limited)	Cayman	Resigned
	Marigold Investments Limited	Isle of Man	Resigned
	Samsil Limited	Cayman	Resigned
	Sarah Holdings Limited	Isle of Man	Resigned
	Tilda Investments Limited	Cayman	Resigned
	Bank of Bermuda (Cayman) Limited	Cayman	Resigned
	Bermuda Trust (Cayman) Limited	Cayman	Resigned
	Cayman Nominees Limited	Cayman	Resigned
	Compass Services Limited	Cayman	Resigned
	Fort Street Securities Limited	Cayman	Resigned
	MIL (Cayman) Limited	Cayman	Resigned
	Somers Nominees (Far East) Limited	Cayman	Resigned
	Tropical Nominees Limited	Cayman	Resigned
	Bermuda International Finance Limited	Cayman	Resigned
	MTC Company Limited	Cayman	Resigned
New Lily Company Limited	Cayman	Resigned	
Saramont Estate Limited	Ireland	Resigned	
FFTW Diversified Alpha Fund Limited	Cayman	Resigned	
Texel Fixed Income Hedge Fund Limited (in liquidation)	Cayman	Resigned	
Texel Fixed Income Master Fund Limited (in liquidation)	Cayman	Resigned	
Highbridge European Special Situations Fund, Limited (in liquidation)	Cayman	Resigned	
Energy Capital Investments Limited	Cayman	Resigned	
Priyank Thapliyal	Pallinghurst Resources LLP (Member)	United Kingdom	Current
	Fabergé Services Limited (Company Secretary)	United Kingdom	Current
Sean T Gilbertson	Gigajoule Limited	United Kingdom	Current
	Arianna Investments Limited	British Virgin Islands	Current
	Sandfontein & Houms Rivier Properties (Pty) Limited	Namibia	Current
	Vegagraphics (Pty) Limited	South Africa	Current
	Pallinghurst Resources LLP ((Member))	United Kingdom	Current

Name	Directorship/partnerships	Country	Status
Sean T Gilbertson (continued)	Fabergé Limited (formerly Project Egg Limited)	Cayman Islands	Current
	Pallinghurst (Cayman) GP Limited	Cayman Islands	Current
	Pallinghurst Consolidated (Cayman) Limited	Cayman Islands	Current
	Pallinghurst (Cayman) Founder Limited	Cayman Islands	Current
	Rox Limited	Cayman Islands	Current
	Venturellectual Limited	United Kingdom	Resigned
	Global Coal Limited	United Kingdom	Resigned

EXTRACTS FROM THE ARTICLES

Below are extracts from the Articles. The summary is not complete and prospective Investors should read the Articles for a full appreciation thereof. The Articles contain, *inter alia*, provisions to the following effect:

I. SUBJECT TO THE PROVISIONS OF THE LAWS

- (a) the Company may purchase any of its Shares whether or not they are redeemable and may pay in respect of such purchase otherwise than out of its distributable profits or the proceeds of a fresh issue of Shares;
- (b) the Company and any of its Associates may provide financial assistance, directly or indirectly, for the purpose of, or in connection with, the acquisition of Shares or in connection with reducing or discharging any liability incurred in connection with the acquisition of Shares; and
- (c) the Company may convert all or any of its Shares, the nominal amount of which is expressed in a particular currency, into Shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein.

2. VARIATION OF RIGHTS, ALTERATION OF CAPITAL, AND SURRENDER OF SHARES

- (a) Subject to the provisions of the Companies (Guernsey) Laws, 1994 to 1996 (as amended), all or any of the rights attached to any class of shares for the time being issued may (unless otherwise provided by the terms of issue of the shares of that class) from time to time (whether or not the Company is being wound up) be altered or abrogated by Special Resolution provided that the rights attached to the Management Shares cannot be amended unless a Special Resolution is also passed by the holders of the Ordinary Shares. At every such separate general meeting, all the provisions of the Articles as to general meetings of the Company shall (with certain exceptions) *mutatis mutandis* apply.
- (b) After the Initial Closing Date, further Shares may be issued for the purposes of raising further capital in the Company, provided that no Share(s) shall be issued at a discount to the audited Fair Market Value per Share. In the case of any such further issue of Shares, Shares will be offered to Investors and prospective Investors on the same terms and conditions. Any such further offering of Shares will be made at the discretion of the Directors.
- (c) The Company may:
 - (i) by Special Resolution cancel any Shares which at the date of the resolution have not been taken or agreed to be taken by any Investor and diminish the amount of its authorised share capital accordingly; and
 - (ii) The Company may by Special Resolution reduce its share capital or any capital redemption reserve or any share premium account in any manner subject to any authorisation and/or consent required by the Laws provided always that such authority shall not be required to permit the redemption of shares out of the share premium account.

3. VOTING RIGHTS

On a show of hands every Investor who is present in person at a general meeting of the Company shall have one vote per Person, and on a poll every Investor who is present in person or by proxy shall be entitled to one vote for each Share held by such Investor.

The Trust, as holders of the Management Shares, shall have the right to receive notice of, attend and vote at any general meeting of the Company, provided that no Shares are in issue at such date. When such rights exist, each holder of a Management Share who is present or by proxy at a general meeting will have 10,000 votes in respect of each Management Share held by them.

Directors, who are executives/partners of the Investment Manager, and the executives/partners of the Investment Manager will be precluded from voting as Investors on any proposal in relation to the Investment Management Agreement, subsequent to the conclusion thereof by the Company.

4. DIRECTORS

- (a) Unless otherwise approved by Investors in general meeting by Ordinary Resolution, the number of Directors (disregarding alternate Directors) will be not less than 3 and not more than 10. A majority of Directors must not be resident either in the United Kingdom or in South Africa.
- (b) The Directors have the power to elect a Chairman who will hold office only for the duration of the meeting at which he was elected.
- (c) No shareholding qualification for Directors is required.
- (d) Investors may by Special Resolution appoint a person to be a Director or remove any Director from office.
- (e) Without prejudice to the power of the Company in general meeting, in pursuance of any of the Articles to appoint any person to be a Director and subject to the Companies (Guernsey) Laws, 1994 to 1996 (as amended), the Directors have the power to appoint any person to be a Director to fill a casual vacancy. Any Director so appointed by the Directors shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.
- (f) No person other than a Director retiring at an annual general meeting may be appointed or re-appointed as a Director at a general meeting unless no less than 10 nor more than 35 clear Business Days before such meeting, notice executed by an Investor qualified to vote at the meeting (not being the person to be proposed), has been given to the secretary of the Company of the intention to propose that person for appointment or re-appointment together with notice executed by that person of his willingness to be appointed or re-appointed. The Directors have not been appointed on a rotational basis and are not obliged to retire or be subject to re-election, other than through removal by Investors by way of a Special Resolution at an extraordinary general meeting. There is no provision for the retirement of Directors on their attaining a certain age.
- (g) A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board. In the case of a proposed contract or arrangement such disclosure shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, at the next meeting of the Board held after he became so interested. In a case where the Director becomes interested in a proposed contract or arrangement after it is made, disclosure shall be made at the first meeting of the Board held after the Director becomes so interested. For the purpose of the foregoing a general notice in writing given to the Board by such Director to the effect that he is a member of a specified company and/or entity and is to be regarded as interested in any proposed contract or arrangement which may after the date of the notice be made with that company and/or entity shall be deemed to be a sufficient disclosure of interest provided that it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is raised and read at the next meeting of the Board after it is given.
- (h) A Director may not vote (but may in accordance with the Articles be counted in the quorum) in respect of any resolution of the Directors or subcommittee of the Directors concerning a proposed contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of Associates) is, to his knowledge, a material interest (otherwise than by virtue of his interest in Shares or debentures or other securities of or otherwise in or through the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:
 - (i) providing a guarantee, security or indemnity in respect of money lent or obligations incurred by the Director or any other person at the request of or for the benefit of the Company or any of its Subsidiaries;
 - (ii) providing a guarantee, security or indemnity by the Director to a third party in respect of a debt or obligation of the Company or any of its Subsidiaries for which the Director has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
 - (iii) a proposed contract, arrangement, transaction or proposal concerning an offer of Shares, debentures or other securities of or by the Company or any of its Subsidiaries for subscription or purchase, in which offer the Director is or may be entitled to participate as an Investor or in the underwriting or sub-underwriting of which the Director is to participate;
 - (iv) a proposed contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a Subsidiary of the company) in which the Director (and any

Associate) is interested directly or indirectly and whether as an officer, shareholder, creditor or otherwise, provided that the Director has disclosed his interest in such proposed contract, arrangement, transaction or proposal in accordance with subparagraph (1);

- (v) a proposed contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme for the benefit of employees of the Company or any of its Subsidiaries under which the Director may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; and
- (vi) a proposed contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
- (vii) (1) For the purposes of the Articles a person shall be treated as being connected with a Director if that person is:
 - (a) a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or
 - (b) an associated body corporate which is a company and/or entity in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20% or more of the nominal value of the equity share capital, or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20% of the voting power at general meetings; or
 - (c) a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within paragraphs (a) or (b) above excluding trustees of an employees share scheme or pension scheme; or
 - (d) a partner and/or member (acting in that capacity) of the Director or persons in categories (a) to (c) above.
- (2) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office under the Company, or whereat the terms of any such appointment are arranged or whereat any contract in which he is interested is considered, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment or its termination) of 2 or more Directors to offices with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these provisions) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (3) A Director may hold any other office under the Company (other than Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director or his firm shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or as vendor purchaser or otherwise nor shall any such proposed contract or arrangement entered into by or on behalf of the Company in which any Director or firm and/or entity is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such proposed contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (4) Any Director may act by himself or his firm and/or entity in a professional capacity for the Company (other than Auditor) and he or his firm and/or entity shall be entitled to remuneration for professional services as if he were not a Director.
- (5) Any Director may continue to be or become a director, managing director, manager or other officer or Investor of any company which promotes or is promoted by the Company or which is interested in the Company or in which the Company may be interested, and unless otherwise agreed any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer or Investor of any such company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company,

or voting or providing for the payment of remuneration to themselves as directors, managing directors, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or be about to be appointed a director; managing director; manager or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

- (6) If any question arises at any meeting as to the materiality of the Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.
- (7) The Company may by Ordinary Resolution suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention of any such provision.

5. BORROWING POWERS OF THE COMPANY

The borrowing powers of the Company and the powers of the Company to mortgage or encumber its Investments and/or assets or any part thereof and to issue debentures or debenture stock (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the Company or any third party, shall be limited to 30% of the value of the Company's assets.

6. DIVIDENDS/REDEMPTIONS/RETURNS TO INVESTORS

- (a) Subject to the Companies (Guernsey) Laws, 1994 to 1996 (as amended) and as set out below, the Company in general meeting may from time to time declare dividends but no dividend may exceed the amount recommended by the Directors. The Directors may from time to time, if they deem fit, pay such interim dividends as appear to the Directors to be justified by the position of the Company. During the Investment Period, no dividends may be declared or paid other than from the profits or gains resulting from the Realisation of Investments and thereafter no dividends may be declared or paid other than from Aggregate Proceeds. Any dividends paid will be paid in accordance with the policy of the Bermuda Stock Exchange.
- (b) No unclaimed dividends will bear interest against the Company. Any dividend unclaimed will be transferred to a trust which will hold it until the earlier of the date on which such dividends are claimed by the relevant Investor or 3 years from the date on which the Company attempted to pay such dividend to the Investor. If dividends are not claimed before the expiry of the aforementioned period, such dividends will be paid to a charitable institution. The Investor will pay administration charges for the service of 0.1% per annum of the amount of such unclaimed dividend.
- (c) The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they deem appropriate as reserves which will, at the discretion of the Directors, be applicable for any purpose to which the Aggregate Proceeds of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or, during the Investment Period, be invested in such Investments as the Directors may from time to time deem fit. The Directors also, at their discretion, and subject to 6(d) below, may without placing the same to reserve, carry forward any profits which they deem prudent not to distribute.
- (d) Post the Investment Period, unless otherwise resolved by Special Resolution and with the prior written consent of the Investment Manager, the Company is obliged to Distribute or redeem *pro rata* all Aggregate Proceeds to Investors within 30 Business Days of the receipt of such Aggregate Proceeds, whether through Distributions, the redemption of Shares or otherwise.

7. RIGHTS ON A WINDING-UP

Under the Companies (Guernsey) Laws, 1994 to 1996 (as amended) the Company can be wound up at any time as provided for by those Laws. In particular, the Company can be wound up by way of a Special Resolution at an extraordinary general meeting duly convened by the Directors and carried, whether on a show of hands or on a poll, by a majority consisting of 75% of the total number of votes cast for such Special Resolution.

In the event of the Company being wound up:

- (a) the liquidator will apply the assets of the Company, subject to the provisions of the Laws, in satisfaction of:
 - (i) creditors' claims;
 - (ii) settlement of the Fair Market Value per Share of the Ordinary Shares, less any costs associated with such liquidation;
 - (iii) settlement of the nominal value of the Management Shares; and
 - (iv) any surplus will be paid to Investors.
- (b) the liquidator may, with sanction by Investors by Special Resolution, divide amongst Investors *in specie* any part of the assets of the Company.

8. COMPULSORY TRANSFER OR REPURCHASE OF SHARES

- (a) The Directors shall have power (but shall not be under any duty) to impose such restrictions as they may deem necessary for the purpose of ensuring that no Shares are acquired or held directly or beneficially by:
 - (i) any US person other than pursuant to an exemption available under the 1933 Act and any other relevant securities laws of the United States; or
 - (ii) any person whose holding of Shares would or might result in the Company having more than 80 beneficial owners of Shares (whether directly or by attribution pursuant to Section 3(c)(1)(A) of the United States Investment Company Act of 1940) who are US persons or any person whose holding would require the Company to register as an "Investment Company" under such Act; or
 - (iii) any person subject to the United States Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Internal Revenue Code of 1986, as amended; or
 - (iv) any person in breach of any law or requirement of any country or governmental authority by virtue of which such person is not qualified to hold such Shares; or
 - (v) any person or persons in breach of any money laundering regulations of any country; or
 - (vi) any person or persons in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might cause or be likely to cause the Company or Investors some legal, regulatory, financial, tax or material administrative disadvantage which the Company or Investors might not otherwise have incurred or suffered; or
 - (vii) any person where the subscription monies in United States Dollars received from a prospective Investor amount to less than ZAR 100,000 on the Initial Closing Date or on the Second Closing Date, if applicable; or
 - (viii) any person whose holdings of Shares would or might result in a South African resident holding 5% or more of the Shares in the Company.

In this connection, the Directors may: (i) reject in their discretion any subscription for Shares or any transfer of Shares to any persons who are so excluded from purchasing or holding Shares; and (ii) pursuant to (d) below at any time repurchase or require the transfer of Shares, subject to the approval of the Directors, held by Investors who are so excluded from purchasing or holding Shares.

- (b) For this purpose the terms "US person" and "United States" as used herein shall have the meanings ascribed such terms in Section 902(6) of Regulation S under the 1933 Act.
- (c) Unless a Director has reason to believe otherwise, the Directors will be entitled to assume without enquiry that none of the Shares are held in such a way as to entitle the Directors to issue a notice in respect of such Shares pursuant to sub-paragraph (d)(i) below. The Directors may, however, upon an application for Shares or at any other time and from time to time require such evidence and/or undertakings to be furnished to them in connection with the matters stated in sub-paragraph (a) above as they in their discretion deem sufficient or as they may require for the purpose of any restriction imposed pursuant to such paragraph. In the event of such evidence and/or undertakings not being so provided within such reasonable period (not being less than 15 Business Days after service of notice requiring the same) as may be specified by the Directors in the said notice, the Directors may, in their absolute discretion, treat any Shares held by such Investor or Joint Investor as being held in such a way as to entitle them to issue a notice in respect of such Shares pursuant to sub-paragraph (d)(i) below.

- (d) (i) If it comes to the attention of the Directors that any Shares are, or may be, owned or held directly or indirectly or beneficially by any Investor(s) in breach of any restrictions imposed under paragraph (a) above (the "Relevant Shares"), the Directors may issue notice to the Investor(s) in whose names the Relevant Shares are registered requiring him to transfer (and/or procure the disposal of interests in) the Relevant Shares to a person who is in the opinion of the Directors a person who is eligible to hold them or to provide a request in writing for the repurchase of the Relevant Shares in accordance with the Articles. If any Investor upon whom such a notice is issued pursuant to this sub-paragraph does not within 15 Business Days after the issue of such notice (or such extended time as the Directors in their absolute discretion shall consider reasonable):
- (a) transfer the Relevant Shares to a person who is eligible to hold them at the audited Fair Market Value per Share ("the Purchase Price"); or
 - (b) request the Company to so repurchase the Relevant Shares at the Purchase Price; or
 - (c) establish to the satisfaction of the Directors (whose judgment will be final and binding) that he is not subject to such restrictions then,
- the Directors may in their absolute discretion, upon the expiration of such 15 Business Day period (or such longer period), arrange for the repurchase at the Purchase Price or approve the transfer of all the Relevant Shares at the Purchase Price to a person who is eligible to hold them and the Investor will be bound forthwith to deliver his Share certificate or certificates (if any) to the Directors and the Directors shall be entitled to appoint any person to sign on his behalf such documents as may be required for the purpose of the repurchase of the Relevant Shares or transfer.
- (ii) An Investor who becomes aware that he is holding or owning Relevant Shares and is not eligible to hold or own them is obliged forthwith unless he has already received a notice pursuant to sub-paragraph (a) above either transfer, subject to the approval of the Directors, all of the Relevant Shares to a person who is eligible to hold them or provide a request in writing for the repurchase of all his Relevant Shares in accordance with the Articles.
 - (iii) A transfer of Relevant Shares arranged by the Directors pursuant to sub-paragraph (d)(i) above may be for all, or part, of the Relevant Shares with the balance available for repurchase or transfer, subject to the approval of the Directors, to other persons who are eligible to hold them. Any payment received by the Company for the Relevant Shares so transferred will be paid to the Investor whose Shares have been so transferred subject to sub-paragraph (d)(iv) below.
 - (iv) Payment of any amount due to any Investor pursuant to sub-paragraph (d)(i), (ii) or (iii) above will be subject to any requisite exchange control consents first having been obtained and the amount due to such Investor will be deposited by the Company in a bank for payment to such Investor upon such consents being obtained against surrender of the certificate or certificates (if any) representing the Relevant Shares previously held by such Investor. Upon deposit of such amount as aforesaid such Investor shall have no further interest in such Relevant Shares or any claim against the Company in respect of the Relevant Shares except the right to receive such amount so deposited (without interest) upon such consents as aforesaid having been obtained.

The Directors will not be required to provide any decision, determination or declaration taken or made in accordance with these provisions. The exercise of the powers conferred by these provisions is not to be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership of Shares by any Investor or that the true, direct or beneficial Investor was otherwise than appeared to the Directors at the relevant date provided that the powers shall be exercised in good faith.

MATERIAL CONTRACTS

Material Contracts

The following contracts have been entered into approved by the Company and are, or may be, material:

I. INVESTMENT MANAGEMENT AGREEMENT

Pursuant to the Investment Management Agreement dated 4 September 2007 between the Company and the Investment Manager, the Investment Manager has been appointed to provide the Company with investment advisory and management services in relation to Investments falling within the Investment Scope as described under the section headed "Investment Strategy – Investment Scope" in this Prospectus. Details of the benefits attributable to the Investment Manager are shown in the section headed "Expenses, Fees and Investment Manager's Benefits" in this Prospectus.

The Investment Manager shall not be under any liability as a consequence of any action performed by the Investment Manager acting in good faith in accordance with the terms of the Investment Management Agreement or any specific written request of the Company. The Investment Manager shall not be liable to the Company for any decline in the value of the Investments or any part thereof to the extent that such decline results from the Investment Manager's implementation of any express direction of the Board or from any Investment recommendation made by the Investment Manager acting in good faith unless such recommendation was as a result of Cause.

The Investment Management Agreement contains certain Key Men provisions to ensure that the Investment Manager retains its key executives with the necessary expertise and experience in order to provide the investment advisory and management services to the Company in accordance with the scope and terms of the Investment Management Agreement.

In summary, the Key Men provisions state that the Investment Management Agreement will be immediately suspended for a period of up to 12 months upon the occurrence of a Key Man Event (the "Suspension Period"), during which Suspension Period no acquisition or disposal of Investments may occur but that all other obligations of the Company will continue to be met by the Company (including the payment of the Annual Investment Manager's Benefit and the completion of contracts entered into by or on behalf of the Company before entering into such Suspension Period).

Upon the occurrence of a Key Man Event, the Investment Manager will have until the end of the Suspension Period to appoint a replacement Key Man, failing which, the Investment Period shall immediately terminate. If the Board approves of and recommends a replacement Key Man appointment, as soon as practicable thereafter, the Board will propose and seek Investors approval in general meeting by Ordinary Resolution of such replacement Key Man. Once the replacement Key Man has been approved by Investors, the Suspension Period will immediately terminate. Should the requisite Ordinary Resolution not be passed by Investors or any such subsequent Ordinary Resolution proposed by the Board during the Suspension Period for the replacement of such Key Man, the Investment Period shall immediately terminate.

The Investment Management Agreement contains indemnity provisions by the Company in favour of the Investment Manager, which are similar in all material respects with the indemnity provisions set out in the section headed "General Information – Indemnities" in this Prospectus.

In addition the Investment Management Agreement may be terminated:

- (a) automatically on the date of winding-up of the Company;
- (b) by the Company, at any time from its commencement, by Investors in extraordinary general meeting by Special Resolution if such termination is as a result of the Investment Manager's Cause. No further Annual Investment Manager's Benefit or Performance Incentive shall be payable on or after the date of such termination. The termination of the Investment Management Agreement shall not take effect until the Investors of the Company have by Special Resolution approved the appointment of a replacement investment manager; and
- (c) by Investors, at any time from its commencement, in general meeting by Ordinary Resolution, if such termination is as a result of:

- (i) Brian P Gilbertson failing to devote substantially all of his professional time to the business and affairs of the Program; and/or
- (ii) Brian P Gilbertson ceasing to be an executive of the Investment Manager or its Associates.

In the event that the Investment Management Agreement is terminated:

- (a) pursuant to (a) or (c) above, the Investment Manager shall be entitled to receive 100% of any Performance Incentive in respect of those Investments which had been made at the time of the termination of the Investment Management Agreement; and
- (b) pursuant to (b) above, the Investment Manager shall not be entitled to receive any Performance Incentive, whether earned at the time of the termination of the Investment Management Agreement or otherwise.

2. ADMINISTRATION AGREEMENT

Pursuant to the Administration Agreement dated 4 September 2007 between the Administrator and the Company, the Administrator has been appointed by the Company to carry out the day-to-day administration, secretarial and registrar functions of the Company. The Administrator is also responsible for performing certain duties in relation to the issue, transfer and redemption of Shares and their settlement. Details of the remuneration of the Administrator are shown in the section headed "Expenses, Fees and Investment Manager's Benefits – Fees" in this Prospectus.

In the absence of Cause, the Administrator shall not be liable for any error of judgement or for any loss or damage suffered by the Company, any Investor or the Investment Manager or otherwise arising, directly or indirectly, as a result of or in the course of the discharge of its duties in good faith including (but without limitation) any loss arising from anything done or omitted to be done by the Administrator in good faith on reliance on or in accordance with the opinion or advice of the Investment Manager (or its Associates), the Company's legal advisers, Auditors, bankers, or other competent professional advisers, nor for any loss or damage sustained in the sale of any Investment howsoever any such loss may have occurred. The Administrator shall not be liable for any loss or damage which may arise where the Administrator has acted in good faith or upon any instruction or communication from the Company or its Directors which the Administrator reasonably believes to be genuine.

The Administration Agreement contains an indemnity by the Company in favour of the Administrator, which are similar in all material respects with the indemnity provisions set out in the section headed "General Information – Indemnities" in this Prospectus.

The Administrator shall not be responsible for any loss or damage to the Company or for any failure to fulfil its duties if such loss, damage or failure was caused by or directly or indirectly due to war, damage, enemy action, the act of any Government or other competent authority, riot, civil commotion, rebellion, storm, tempest, accident, fire, strike, lock-out or other cause whether similar or not beyond the control of the Administrator.

Either the Administrator or the Company shall be entitled to terminate the Administration Agreement by giving not less than 6 months notice in writing to the other party provided that the Administration Agreement may be terminated forthwith upon:

- (a) the commencement of winding-up proceedings in respect of either party (except for a summary winding-up for the purpose of reconstruction or amalgamation upon terms previously approved by the parties in writing), or following any other event of bankruptcy, *désastre*, or any event of insolvency with respect to the Administrator or the Company or other similar or analogous procedure or step has been taken in any jurisdiction in relation to the Administrator or the Company; or
- (b) the Administrator ceasing to be qualified to act as such pursuant to the Articles or ceases to be licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987; or
- (c) either party committing any material breach of its obligations under the Administration Agreement and (if such breach shall be capable of remedy) shall fail within 30 days of receipt of notice in writing served by the Administrator or the Company on the other party concerned requiring it to do so, to remedy such breach.

3. STRUCTURAL FACILITATOR AND INVESTMENT BANK AGREEMENT

Pursuant to the Structural Facilitator and Investment Bank Agreement, dated 4 September 2007, between the Structural Facilitator and Investment Bank and the Company, the Structural Facilitator and Investment Bank has been appointed to provide certain structural and capital raising services to the Company. Details of the remuneration of the Structural Facilitator and Investment Bank are shown in the section headed "Expenses, Fees and Investment Manager's Benefits" in this Prospectus.

Under no circumstances will the Structural Facilitator and Investment Bank be liable for any loss or damage of whatsoever nature or howsoever caused (including consequential or special damages) suffered by the Company, its Directors or employees arising out of or in connection with the proper performance of its functions under the Structural Facilitator and Investment Bank Agreement unless such loss or damage is due to Cause.

The Structural Facilitator and Investment Bank Agreement may be terminated by the Structural Facilitator and Investment Bank at any time giving notice in writing to the Company or by the Company giving notice in writing to the Structural Facilitator and Investment Bank.

The Structural Facilitator and Investment Bank Agreement contains an indemnity by the Company in favour of the Structural Facilitator and Investment Bank, which are similar in all material respects with the indemnity provisions set out in the section headed "General Information – Indemnities" in this Prospectus.

Section 4 – Investor Bank Account Details

Account Name (must be the same as Investor)	
Account Number (account for receipt of distributions (if any) and to which sale/redemption proceeds will be paid)	
Bank	Branch Sort Code
Country	Swift Code
Telegraphic Address	

Section 5 – Terms and Conditions

1. Words and phrases

Words and phrases used in this application form shall have the same meaning ascribed to them as in the Prospectus (available in electronic format).

2. Offer period

This Offer closes at 11:00am Guernsey time (12:00pm South African time) on 14 September 2007 or such later date, not being later than 31 October 2007, as the Directors may decide. Only fully completed applications received by this date by Investec will be processed for allocation of Shares

The required documentation listed in Annexure A hereto, must be received by the above time and date together with the completed Application Form.

3. Incomplete application forms

If the Application Form is incomplete either from a regulatory or legal standpoint, Investec will be unable to allocate Shares to a prospective Investor until all satisfactory information is received, which information must be received prior to the Offer deadline detailed in clause 2 above.

4. Transfer of funds

The Company, Investec and the Administrator accept no responsibility for the transfer of prospective Investors' funds to the Company's nominated bank account. It is the prospective Investor's responsibility to ensure that the funds are received by the Company in its nominated account in full on or prior to 19 September 2007 or such later date as the Board may decide.

5. Refusal of applications

Investec and the Administrator reserve the right to refuse applications for investment in the Shares at their discretion.

6. Abandonment of offering

The Company reserves the right to abandon the offer of Shares without reason and the Company, Investec and the Administrator accept no liability in this eventuality. The Company will return funds as soon as practicable less any bank transaction charges. The Company, Investec and the Administrator accept no liability for loss or opportunity loss arising.

7. Exchange rate fluctuations

Where the remitting bank account is denominated in a currency other than US\$ the prospective Investor must ensure that any charges are deducted before conversion to the US\$ value. Neither the Company, Investec or the Administrator can accept responsibility for exchange rate fluctuations upon transfer and thus any funds received that do not meet the minimum investment criteria are in breach of the terms of this offering and may not be invested.

8. Tax

While at all times seeking to mitigate tax risks for Investors, the Company cannot be held responsible for any tax liability that arises as a result of investing in the Company. A copy of the Prospectus for the Company is available from Investec and the Administrator upon request.

9. Registration of the Company and the Guernsey Financial Services Commission

The Company (Registration number 47656) was incorporated on 4 September 2007 with limited liability under The Companies (Guernsey) Laws, 1994 to 1996 (as amended).

The Company is a registered investment company pursuant to the framework introduced by the guidance document (the "Guidance Document") issued by the Guernsey Financial Services Commission (the "Commission") dated February 2007. Shares in the Company may not be offered directly to the public within Guernsey, such public being defined in the Guidance Document as being any person in Guernsey, not regulated under any of Guernsey's financial services regulatory laws.

Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinance, 1959 as amended has been obtained for this Prospectus. To receive such consent, application was made under the framework introduced by the Guidance Document. Under this framework neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council have reviewed this Prospectus but instead have relied on specific warranties provided by the Administrator of the Company. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Section 6 – Source of funds

This section must be completed by all applicants. Failure to complete this section may cause undesirable delay in the processing of an application or that the Investec or the Administrator refuse to accept the application for allocation of Shares.

I. The funds for this investment have been raised from:

- | | | |
|--|------------------------------|-----------------------------|
| (i) Liquidation of part of an existing investment portfolio? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (ii) Disposal of property-based or other assets? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (iii) Gift or inheritance from a third party? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (iv) From another source | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Please give as much detail as possible about the source of funds indicated above, including nature of assets involved: (In respect of i) and ii), please provide evidence, e.g. copies of contract notes or a letter from a solicitor who has acted in the sale of the property).

Section 7 – Declaration (all types of Investors to sign this declaration)

1. I/We warrant that all the information given in this application, and in all documents which have been or will be signed by me/us in connection with the proposed investment, whether in my/our handwriting or not, is true and complete.
2. I/We agree that all the statements in this application and the documents stated above shall be the basis of the proposed contract, that any mis-statement or omission made by myself/ourselves therein may lead to any contract made being declared void by the Company, Investec and/or the Administrator; and the Company shall be entitled to deduct all costs and expenses incurred by the Company and/or the Administrator in connection with any mis-statement or omission made by myself/ourselves, from all monies paid by myself/ourselves.
3. I/We agree that no statement, whether made by myself/ourselves or by the person canvassing for or handling this application or by any other person, shall be binding upon the Company, Investec and/or the Administrator unless the same be reduced to writing, submitted to the Company, Investec and/or the Administrator as the case may be, and made part of the contract.
4. I/We also agree that should this irrevocable application be accepted by the Company, Investec and the Administrator it will be conditional upon there having been no material alteration to the Prospectus on which the acceptance was based.
5. I/We have read and understood the Company's Prospectus and acquainted myself/ourselves with the charges of the Investment Manager; the Administrator; the Structural Facilitator and Investment Bank, the Listing Sponsor and the Company.
6. I/We accept that the Company, Investec and the Administrator cannot be held responsible for any delay in dealing, nor for any loss suffered arising from the acts, omissions or future circumstances of the Investment Manager or any of their authorized agents.
7. I/We agree that the investment will commence as described in the Prospectus.
8. I/We have read and understood and accept the risks outlined in the Prospectus.
9. I am/We are not resident in the Bailiwick of Guernsey or the United States of America and its territories or resident in any jurisdiction where investments in the Company would be unlawful or otherwise not permitted.
10. I am/We are aware that taxation consequences might be relevant to the acquisition, holding or disposal of Shares and that I/we will take appropriate tax advice in this regard and ensure that I/we comply with all laws applicable to my/our country of residence. I/We agree that the Company cannot be held responsible for any tax liability that arises as a result of investing in the Company.
11. I/We have read and understood all the terms and conditions outlined in the Prospectus and above, (including but not limited to the Applicant undertakings set out therein), and agree to be bound thereby.
12. I/We understand that whilst investment in the Company can offer the potential for higher than average returns it also involves a corresponding higher degree of risk and it is considered appropriate for Sophisticated Investors who can afford to take that risk, which may include the risk of the loss of a large portion of their investments, and who can afford to hold their investment for the medium to long term. I/We declare that I/we am/are a Sophisticated Investor and that I/we have extensive knowledge and experience in financial and business matters and am/are capable of evaluating such merits and risks. I/We represent as part of this application for Shares, that I/we satisfy these criteria and that I/we am/are acquiring the Shares for investment.
13. I/We the undersigned confirm that I/we have read and understood this declaration and understand its implications.
14. I am/We are not resident in the United States of America and its territories or resident in any jurisdiction where an investment in the Shares would be unlawful or otherwise not permitted.
15. I/We declare that either (i) I/we are not a person resident in the Bailiwick of Guernsey to whom the Company has offered the Shares directly, or (ii) I/we are a business regulated under the Bailiwick of Guernsey's financial services regulatory laws.

Signature (Client)

Date

Place

DOCUMENTS REQUIRED TO ACCOMPANY APPLICATION

The documentation required from prospective Investors will vary depending on the type of applicant and whether the applicant is in a Recognised Jurisdiction as defined under The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Regulations 2002, as amended. Recognised jurisdictions are:

“Recognised Jurisdiction”

Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Greece, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, United States of America

APPLICANTS FROM RECOGNISED JURISDICTIONS

INDIVIDUAL APPLICANTS

The Company will require the following due diligence documents to accompany the application form:

- (a) A certified copy passport or national identity card which must contain the identity of the applicant, the number of the document, a clear photograph of the applicant, the signature of the applicant as well as the date and place of issue of the document and expiry date.
- (b) An original or certified copy telephone, water, electricity invoice addressed to the residential address(es). A bank or credit card statement is also acceptable provided it is addressed to the residential address(es) of the prospective Investor. Please note that a mobile telephone account statement is not acceptable. In all instances the invoice should not be more than three months old. The Company will be pleased to review and return the original document if requested to do so.

N.B. Should any other party retain signing authority over the investment (e.g. financial advisor) then due diligence documentation in respect of such other party will also be required by the Company.

TRUST APPLICANTS

The Company will require the following due diligence documents to accompany the application form:

- (a) A certified copy of the trustee's statutory documents (where there is a corporate trustee). This will include the Certificate of Incorporation, Change of Name Certificate (if applicable), the Memorandum and Articles of Association, the authorised signatory list and a certified copy of any regulatory fiduciary licence.
- (b) Due diligence documentation as for individual applicants will be taken on any individual trustees and a maximum of four principal Directors of a corporate trustee (or the authorised signatories if the Directors and signatories are not the same).
- (c) Due diligence documentation as for individual applicants will also be taken on the settlor and principal beneficiaries of the settlement.
- (d) If the trustees are regulated and operate in an equivalent jurisdiction, proof of the trustees' regulation as well as a list of specimen signatures for those individuals from whom the Company may accept instructions, certified copy of trust deed and verification for individuals or corporate on all settlors and any others who have contributed financial assets to the trust, protectors and beneficiaries.

CORPORATE APPLICANTS (OTHER THAN NOMINEE COMPANIES)

The Company will require the following due diligence documents to accompany the application form:

- (a) A certified copy of the applicant's statutory documents. This will include the Certificate of Incorporation, Change of Name Certificate (if applicable), the Memorandum and Articles of Association and a list of specimen signatures for those individuals from whom the Company may accept instructions from, including verification of identity of authorised signatories (see individual applications point (a)) as well as a copy of the latest financial report and accounts.

- (b) Due diligence documentation as for individual applicants or as for corporate applicants, as the case may be, will be required in respect of each beneficial owner with a shareholding in excess of 5% and a maximum of four principal Directors (or the authorised signatories if the Directors and signatories are not the same).
- (c) Where the applicant is a company and the company is part of a group, a group structure chart will be required.
 - N.B. Where the applicant is a company listed on the stock exchange of the jurisdiction of the applicant then it will be sufficient to supply a copy of the latest set of audited annual accounts and the authorised signatory list.

CORPORATE APPLICANTS NOMINEE COMPANIES

The Company requires that the nominee confirm:

- (a) The jurisdiction in which the nominee operates.
- (b) The nominee is regulated and giving details of its regulatory body.
- (c) That the nominee has obtained satisfactory due diligence on the applicant (a certified copy passport of the applicant and an address confirmation) and that they will supply copies of due diligence to the Company of whom the nominee company is acting as nominee for.
- (d) That the nominee is a subsidiary of a company listed on the stock exchange of the jurisdiction of the applicant.
- (e) A letter of introduction from the nominee company is acceptable to the Company if the nominee company is professionally qualified in law or accountancy or hold a licensed under relevant foreign or local legislation. The Company will also require certified copies of the due diligence held by the nominee company.

Where the nominee is a subsidiary of a listed company the required documentation will be a copy of the latest set of audited annual accounts and the authorised signatory list.

Where the nominee is not a subsidiary of a listed company, the Company may require additional documentation.

APPLICANTS FROM NON-RECOGNISED JURISDICTIONS

The Company will require all applicants from non-recognised jurisdictions to provide the equivalent documentation that would accompany an application form from a recognised jurisdiction (as above), as a minimum. However, all applications from non-recognised jurisdictions should include an original utility bill rather than a certified copy for review and return.

All applications from non-recognised jurisdictions will be considered on a case-by-case basis and additional due diligence documentation may be requested.

ADDITIONAL DOCUMENTATION

The Company reserves the right to request additional documentation as and when required. If an applicant is unable to supply any of the documentation described, they should contact the Company to discuss mutually acceptable alternative arrangements.

