

## PRAETORIAN RESOURCES LIMITED

### SHAREHOLDER NOTIFICATION AND DISCLOSURE REQUIREMENTS UNDER RULE 5 OF THE DISCLOSURE AND TRANSPARENCY RULES

#### Introduction

To ensure appropriate levels of transparency around the ownership of certain companies, Chapter 5 of the FSA's Disclosure and Transparency Rules ("**DTR5**") places obligations on shareholders and holders of certain financial instruments relating to shares to disclose to an issuer when their holding reaches or falls below a given threshold as a result of an acquisition or disposal or as a result of events changing the breakdown of voting rights (e.g. a new issue of shares by a company).

Whilst Praetorian Resources Limited (the "**Company**") is a Guernsey-incorporated company whose shares are traded on AIM and is therefore not a company to which DTR5 automatically applies, the Company has incorporated DTR5 by reference into its articles of incorporation. Accordingly, the vote holder and issuer notification and disclosure rules set out in DTR5 apply to the Company and each holder of ordinary shares in the Company ("**Shareholder**") as if the Company were a UK issuer. The disclosure requirements under DTR5 only apply to Shareholders in respect of their holdings of ordinary shares in the capital of the Company, and **not** subscription shares,.

A summary of the main notification requirements of Shareholders under DTR5 is set out below.

#### Notification thresholds

Shareholders must notify the Company of the percentage of voting rights held as shareholder or direct/indirect holder of financial instruments if, as a result of an acquisition or disposal of ordinary shares or financial instruments (but not, for the avoidance of doubt, subscription shares), the percentage of those voting rights<sup>1</sup>:-

1. reaches, exceeds, or falls below 3%, 4%, 5%, 6%, 7%, 8%, 9%,10% and each 1% thereafter up to 100%; or
2. reaches, exceeds or falls below the above thresholds as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company.

#### Calculation of holdings

In determining if a notification is required, Shareholders may assess their holding by reference to that person's holding at a point up to midnight on the day for which the determination is made. Calculations of the proportion of shares must use the total number of voting rights according to the Company's most recent disclosure (a 'Total Voting Rights' announcement). Figures may be rounded down to the next whole number.

#### Notification procedure

The notification must contain the information set out in DTR5.8.1 and must be effected by a Shareholder as soon as possible but not later than two trading days, the first trading day being the day on which the relevant person:

1. learns of the acquisition or disposals or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned about it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect; or
2. is informed about the event where it is an event falling within DTR5.1.2 R (2).

Notifications may be made using the TR1 Major Shareholdings Notification Form ("**Form TR1**") which can be obtained from: <http://www.fsa.gov.uk/pages/Doing/UKLA/tr1/index.shtml>. Guidance notes to assist in the completion of Form TR1 may be obtained from the above website.

#### Failure to notify

Failure to make a required notification to the Company may result in disenfranchisement of the relevant ordinary shares, prohibitions being placed on their transfer and the withholding of any dividend or other amount payable on such ordinary shares.

**If Shareholders are in any doubt of their obligations under DTR5 or the actions they should take, they should consult their stockbroker, solicitor or financial adviser. This note is for information only and does not constitute legal advice and the Company will not be responsible or liable for a Shareholder failing to comply with its obligations.**

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<sup>1</sup> Certain voting rights attaching to the shares are to be disregarded for the purpose of determining whether a person has a notification obligation. Shareholders should refer to DTR5 for further details.