Premier Gold Resources Plc (the “Company”) and the Directors, whose names appear on page 6 of this Document, accept individual and collective responsibility for the information contained in this Document, other than the information on the Proposed Directors on pages 11 and 12 of this Circular, including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

The Proposed Directors, whose names appear on page 6 of this Document, accept individual and collective responsibility for the information contained in this document on the Proposed Directors on pages 11 and 12 of this Circular. To the best of the knowledge and belief of the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document which relates to them is in accordance with the facts, and does not omit anything likely to affect the import of such information.

Application has been made for all of the Ordinary Shares, issued and to be issued pursuant to the Subscription, to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the New Ordinary Shares will commence on AIM on 15 April 2015. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a Nominated Adviser. The Nominated Adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the FCA has examined or approved the contents of this Document.

This Document does not comprise an approved prospectus for the purposes of FSMA and the prospectus rules issued by the FCA and a copy of it has not been and will not be delivered to the FCA or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.
Act. The Shares have not been nor will they be, registered under the US Securities Act, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan, South Africa or the Republic of Ireland. Subject to certain exceptions, the Shares may not be offered or sold in the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan, South Africa or the Republic of Ireland or any person located in the United States. This Document does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves of and observe such restrictions.

WH Ireland Limited is regulated by the Financial Conduct Authority and is acting exclusively for the Company and for no one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for advising any person on the contents of this Document or the Proposals. The responsibility of WH Ireland Limited as Nominated Adviser to the Company is owed solely to the London Stock Exchange. No representation or warranty, express or implied, is made by WH Ireland Limited as to the contents of this Document (without limiting the statutory rights of any person to whom this Document is issued). No liability whatsoever is accepted by WH Ireland Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

Peterhouse Corporate Finance Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority, and, is acting, as broker to the Company and is acting for the Company and no one else in connection with the Placing and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for advising any person on the content of the document or the Placing and Admission. Peterhouse Corporate Finance Limited does not accept any liability whatsoever for the accuracy of opinions contained in this Circular (or for the omission of any material information) and is not responsible for the contents of this Circular.

ACA Howe has given and not withdrawn its written consent to the issue of this document and the inclusion of its valuation letter at page 18 and references to its name in the form and context in which they appear

Copies of this Circular will be available free of charge from the Company’s registered office, on the website of the Company www.premiergoldresources.com and from the offices of Peterhouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD during normal business hours for a period of one month.
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**Note:**

This Circular contains certain forward-looking statements which relate to future events. Such forward-looking statements reflect the Directors’ current expectations and beliefs, are based on information currently available to the Directors and are based on reasonable assumptions at this date. While the Directors make these forward-looking statements in good faith, neither the Company nor its Directors can guarantee that any anticipated future results will be achieved.
EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2015

Publication of this Document 20 March

Latest time and date for receipt of Forms of Proxy in respect of the General Meeting 11:30 a.m. on 9 April

Meeting of Creditors to consider the CVA 11:00 a.m. on 14 April

General Meeting 11:30 a.m. on 14 April

Commencement of trading in the New Ordinary Shares On or around 15 April

Issue of the Subscription Shares and admission of these shares to trading on AIM On or around 15 April

CREST stock accounts credited with the Subscription Shares in uncertificated form On or around 15 April

Despatch of share certificates for Subscription Shares in certificated form by no later than by 22 April

Notes

1. References to times in this Document are to London time unless otherwise stated.

2. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on an RIS (and posted on the Company’s website).

3. All events in the above timetable following the General Meeting are conditional upon approval by the Shareholders of the Resolutions.
**SHARE CAPITAL STATISTICS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Shares in issue as at the date of the Document</td>
<td>1,361,935,975</td>
</tr>
<tr>
<td>Existing Deferred Shares in issue as at the date of this Document</td>
<td>942,462,000</td>
</tr>
<tr>
<td>Par value of Ordinary Shares</td>
<td>£0.001</td>
</tr>
<tr>
<td>New Ordinary Shares in issue following Share Capital Reorganisation</td>
<td>5,447,700</td>
</tr>
<tr>
<td>Par value of New Ordinary Shares</td>
<td>£0.01</td>
</tr>
<tr>
<td>New Ordinary Shares to be issued on completion of the Subscription</td>
<td>35,283,591</td>
</tr>
<tr>
<td>New Deferred Shares to be created</td>
<td>54,477</td>
</tr>
<tr>
<td>Enlarged Share Capital</td>
<td>40,731,0291</td>
</tr>
<tr>
<td>Subscription Shares as a percentage of the Enlarged Share Capital</td>
<td>86.63%</td>
</tr>
<tr>
<td>Fully diluted number of Ordinary Shares in issue following the Proposals set out in this Document</td>
<td>44,804,420</td>
</tr>
<tr>
<td>Subscription Price</td>
<td>£0.0305</td>
</tr>
<tr>
<td>Gross proceeds of the Subscription</td>
<td>£1,076,150</td>
</tr>
<tr>
<td>Estimated net proceeds of the Subscription</td>
<td>£926,150</td>
</tr>
</tbody>
</table>
DEFINITIONS

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

“Admission” the New Ordinary Shares to be admitted to AIM which is expected to occur on 15 April 2015;

“AIM” the market of that name operated by the London Stock Exchange;

“AIM Rules” the AIM Rules for Companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange from time to time;

“Board” or “Directors” the current directors of the Company at the date of this Document whose names are set out on page 6 of this Document;

“CAR” Central Asia Resources Limited, a company incorporated in England and Wales with company number 07344366 and wholly owned by the Company;

“Circular” or “Document” this document dated 19 March 2015;

“Company” or “Premier” Premier Gold Resources plc, a company registered in England and Wales with registered number 03896382;

“Consolidation Shares” the Consolidation Shares of £25 each created by Resolution 2 to be proposed at the General Meeting;

“Convertible Loan Agreement” the convertible loan agreement signed between the Company and Tridevi Capital Partners (I) LP dated 2 July 2013, for the provision of £1 million secured on the issued shares of CAR;

“Creditors” existing creditors of the Company, including those creditors of other members of the Group that are to be treated as creditors of the Company under the terms of the CVA;

“Creditors Meeting” the meeting of Creditors to be convened at Peterhouse Corporate Finance Limited at 11:00 a.m. on 14 April 2015 pursuant to the CVA;

“CVA” a Company Voluntary Arrangement, pursuant to Part 1 of the Insolvency Act 1986, details of which are set out in this Document and a Directors’ proposal document made available to Creditors and Shareholders dated 19 March 2015;

“Disposal” the proposed disposal of the entire issue share capital of CAR to Tridevi Capital Partners (I) LP in full settlement of the Convertible Loan Agreement;

“Enlarged Share Capital” the Existing Ordinary Shares and the Subscription Shares (and the Existing Deferred Shares and New Deferred Shares) in issue immediately following the issue of Ordinary Shares as approved in the General Meeting;

“Existing Deferred Shares” the existing 942,462,000 shares of 0.1p each;

“Existing Options” all options previously issued by the Company from time to time;
“Existing Ordinary Shares” Ordinary Shares of £0.001 each in the capital of the Company;

“Existing Shareholders” holders of Ordinary Shares at the Record Date;

“FCA” the Financial Conduct Authority;

“Form of Proxy” the form of proxy accompanying the Circular for use at the General Meeting;

“General Meeting” the General Meeting of Shareholders to be held at 11:30 a.m. on 14 April 2015 at the offices of Peterhouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD;

“Group” the Company, CAR and Premier Asia Resources LLC;

“Investing Policy” the proposed new investing policy of the Company as required by the AIM Rules and as set out in this Circular;

“London Stock Exchange” the London Stock Exchange Group PLC;

”New Deferred Shares“ the 54,477 A Deferred Shares of £24 each created as part of the Share Capital Reorganisation;

“Ordinary Shares” ordinary shares in the capital of the Company, from time to time;

“New Options” the adjusted number of options, previously issued by the Company from time to time, with an adjusted exercise price as a result of the Share Capital Reorganisation;

“New Ordinary Shares” ordinary shares of £0.01 each in the capital of the Company, following the Share Capital Reorganisation;

“Peterhouse” Peterhouse Corporate Finance Limited, a company incorporated in England and Wales with company number 02075091 (authorised by the FCA with firm reference number 184761);

“Premier Asia” Premier Asia Resources LLC a company incorporated in the Kyrgyz Republic with company number 115598-3300-ООО

“Proposals” The proposals set out in this Circular, whereby Shareholders are being asked to consider and, if thought fit, approve namely (i) the Company Voluntary Arrangement; (ii) the terms of the Disposal, (iii) the adoption of an Investing Policy, (iv) the Share Capital Reorganisation (v) the change of name of the Company to Prospex Oil and Gas Plc , (vi) the authority to allot New Ordinary Shares and (vii) the dis-application of pre-emption rights;

“Proposed Directors” those persons whose names are set out on page 6 of this Document, whose appointment as directors of the Company is conditional upon approval of the Proposals;

“Record Date” 14 April 2015, the date of the General Meeting;

“Resolutions” the resolutions set out in the notice of General Meeting contained within the Circular;
“Settlement Deed” the conditional agreement between the Company and Tridevi where subject to the passing of Resolutions numbered 1, 2, 3, 4, 5, 6 and 12 prior to 30 April 2015, Tridevi will accept the transfer of the shares in CAR in full and final settlement of all liability under the Convertible Loan Agreement, Tridevi will also pay the Company £50,000 and waive any right it has to participate in the CVA;

“Shareholders” holders of Ordinary Shares in the Company from time to time;

“Shareholders’ CVA Meeting” a meeting of the Shareholders, called pursuant to section 3 of the Insolvency Act 1986 (as amended) to consider the CVA to be convened immediately following the Creditors’ Meeting on 14 April 2015;

“Share Capital Reorganisation” the share reorganisation as described in this Circular;

“Share Subdivision” the subdivision of the Consolidation Shares as part of the Share Capital Reorganisation;

“Sterling” or “£” the lawful currency of the UK;

“Subscriber” the subscribers for the Subscription Shares;

“Subscription” the conditional subscription of the Subscription Shares at the Subscription Price;

“Subscription Price” £0.0305 (or 3.05 pence each) per New Ordinary Share;

“Subscription Shares” the £0.01 New Ordinary Shares to be issued by the Company pursuant to the Subscription;

“Tridevi” Tridevi Capital Partners (I) LP incorporated and registered in the Republic of Seychelles with certificate number LP0023;

“UK” or “United Kingdom” the United Kingdom of Great Britain and Northern Ireland;

“US” or “United States” the United States of America, its territories and possessions, any states of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;

“WH Ireland” WH Ireland Limited, the Company’s Nominated Adviser.
Directors, Secretary and Advisers

Directors
- Christian Schaffalitzky de Muckadell (Christian Schaffalitzky) (Interim Non-executive Chairman)
- Richard Nolan (Chief Executive Officer)
- Garth Earls (Chief Operating Officer)
- Gerald Desler FCA (Finance Director)

Proposed Directors*
- Edward Dawson
- William Smith
- Richard Mays
- Gavin Burnell

Company Secretary
- Gerald Desler FCA

Registered Office
- Stonebridge House
- Chelmsford Road
- Hatfield Heath
- Essex CM22 7BD

Nominated Adviser and Joint Broker
- WH Ireland Limited
  24 Martin Lane
  London EC4R 0DR

Joint Broker *
- Peterhouse Corporate Finance Limited
  31 Lombard Street
  London
  EC3V 9BQ

Registrar
- Capita Registrars Limited
  The Registry
  34 Beckenham Road
  Beckenham
  Kent BR3 4TU

Company’s website
- www.premiergoldresources.com

* to be appointed immediately following the General Meeting and conditional on the passing of all the Resolutions
To Shareholders

Company Voluntary Arrangement
Disposal of CAR
Share Capital Reorganisation
Adoption of new Investing Policy
Change of name to Prospex Oil and Gas Plc
Subscription for new Ordinary Shares
and
Notice of General Meeting

Introduction

On 20 March 2015, the Board of the Company will announce that:

1. proposals have been filed in the High Court and will today be dispatched to Creditors together with a notice convening a Creditors Meeting the purpose of which is to consider the Directors’ proposal for a CVA, conditional on shareholder approval;

2. it had entered into a Settlement Deed with Tridevi, conditional on Shareholder approval, to dispose of the entire issued share capital of CAR, the Company’s wholly owned subsidiary, to Tridevi in full and final settlement of the outstanding loan under the Convertible Loan Agreement. CAR holds an 80% stake in Premier Asia and is the ultimate owner of the exploration licence known as the Cholokkaindy licence in the Kyrgyz Republic (the "Licence"). ACA Howe has independently valued the Licence on 24 February 2015 at £nil. Such valuation is set out in the Schedule to this Circular. The Company entered into the Convertible Loan Agreement on 2 July 2013 which was secured by a fixed charge over all the shares held by the Company in CAR. Following this transaction, Tridevi’s loan will be reduced to £nil, Tridevi will waive any right it may have to participate in the CVA and Tridevi would transfer £50,000 to the Company in order to enable it to make an improved offer of settlement to the unsecured Creditors of the Company, than would have otherwise have been possible.

3. as CAR, and its interest in the Licence, represents more than 75% of the assets of the Company the Disposal is a fundamental disposal pursuant to Rule 15 of the AIM Rules which is conditional on consent of Shareholders being given in a general meeting and that as the effect of the Disposal is to dispose of all, or substantially all of the Company’s activities and assets, that the Company is required to adopt an Investing Policy, which also must be approved by Shareholders in a general meeting. The details of that proposed Investing Policy are set out on pages 15 to 16 of this Circular;

4. the share capital be re-organised through the consolidation of every 25,000 Existing Ordinary Shares into one Consolidation Share; and thereafter each Consolidation Share will be subdivided into 100 Ordinary Shares of 1p each and 1 New Deferred Share;

5. that the Company had conditionally raised £1,076,150 through the issue 35,283,591 New Ordinary Shares to advance the Company’s Investing Policy, of which £50,000 would be
transferred to the Company in order to enable it to make an improved offer of settlement to the unsecured Creditors of the Company, than would have otherwise have been possible; and

6. conditional on the above, that a new board would be appointed and that the Company changes its name;

(together the “Proposals”).

It was noted that unless all of the Resolutions were passed the Proposals would not proceed.

7. accordingly the Company has today issued a shareholder circular convening a shareholders general meeting at 11:30 on 14 April 2015 at the offices of offices of Peterhouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD, to approve the Proposals. This Circular sets out the background to and the reasons for the Proposals. It also explains why the Directors consider these proposals to be in the best interests of the Company and Shareholders as a whole and why they recommend that Shareholders should vote in favour of the Resolutions to be proposed at the General Meeting.

It was also noted that as a consequence of the Proposals, the Company’s shares had been suspended from trading on AIM, pending clarification of the Company’s financial position.

Information on Premier Gold Resources Plc

Premier is a gold exploration and development company admitted to trading on AIM. The Company owns 100% of the share capital of CAR, a company which, in turn, holds 80% of the shares of Premier Asia (together, the “Group”). The Group focuses on gold opportunities in Central Asia, in particular the Kyrgyz Republic.

The company holds more than 20% of the share capital of the following companies:

<table>
<thead>
<tr>
<th>Company</th>
<th>Country of registration of incorporation</th>
<th>Shares held</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Asia Resources Limited</td>
<td>England &amp; Wales</td>
<td>Ordinary</td>
<td>100</td>
</tr>
<tr>
<td>Premier Asia Resources LLC*</td>
<td>Kyrgyz Republic</td>
<td>Ordinary</td>
<td>80</td>
</tr>
</tbody>
</table>

* the shares of Premier Asia Resources LLC are held by Central Asia Resources Limited

The Company is not yet producing minerals and so has no income other than a small amount of bank interest. The Company has been predominantly dependant on cash advances from Tridevi drawn down under the Convertible Loan Agreement, and as announced on 26 September 2014, in order to preserve the capital available, the Company has suspended all directors’ salaries. The Company’s current working capital position is therefore extremely constrained.

Background to and reasons for the Proposals

The Company through its 80% indirect interest in Premier Asia holds an interest in the Licence. Four gold prospects have been identified in the Licence area which is in Northern Tien Shan, about 80 km southwest of the capital, Bishkek. These prospects are early stage and current losses attributable to the asset as of the audited accounts of Premier Asia dated 31 December 2013 are Kyrgyz SOM 21,131,303

Following early exploration success in 2012 no further exploration of the Licence has been possible due to local groups, holding up work programmes illegally. Despite pressing the Kyrgyz authorities and threatening a claim against the government little progress was made in 2014. Significant additional legal, political and social work needs to be carried out in the UK and in the Kyrgyz Republic for the Company to gain safe access to the Licence. There can be no guarantee at this point that safe access will ever be achieved. Additionally, the necessary and anticipated funds for the work are not available to the Company.

The Company entered into the Convertible Loan Agreement, secured by way of fixed charge against all present and future rights and interests in the investments and dividends of CAR, for the provision of up to £1 million, to advance the exploration programme in accordance with the Licence. To date approximately £580,000 has been drawn down. The remaining funds can only be drawn upon once exploration work on Cholokkaindy commences, unless Tridevi agrees otherwise.
In view of the ongoing inability for the Company to access its Licence, as well as increased pressure from Creditors and its constrained working capital position, the Directors have been exploring other options for the Shareholders.

A new management and directorial team comprising Edward Dawson, Richard Mays, Bill Smith and Gavin Burnell (the “Proposed Directors”) have approached the Company with a view to using it as a vehicle to make investments in the oil and gas sector. This proposal requires that Premier does not have any outstanding Creditors and the Directors have reluctantly concluded to call the General Meeting for the purpose of considering and voting on the proposal for the CVA, subject to the Creditors approving the CVA at the Creditors Meeting.

The CVA, which is supported by the Proposed Directors, will eliminate the Company’s indebtedness and liabilities and should provide the unsecured Creditors an opportunity to make a partial recovery of the debt they are owed.

In order to recapitalise the Company and, provide the Company with sufficient cash resources to enable it to fulfil its new strategy and to provide funding for the CVA, Peterhouse has conditionally raised £1,076,150 at £0.0305 per Subscription Share, through the Subscription of 35,283,591 New Ordinary Shares. It is agreed that £50,000 of these funds will be used to fund the CVA.

The Board have also received a proposal whereby Tridevi will accept the Company’s 100% interest in CAR, being the holding company of Premier Asia and the Company that holds the 80% interest in the Licence, in full and final settlement of the sums outstanding under the Convertible Loan Agreement. Tridevi will also advance an additional sum of £50,000 to the Company in order to enable it to make an improved offer of settlement to the unsecured Creditors of the Company, than would have otherwise have been possible.

Given the current situation in the Kyrgyz Republic, and without further, significant funding, the Company is unable to explore the Licence, and the Licence itself is therefore considered by the Board to currently be of minimal commercial value. This valuation is supported by an independent valuation prepared by ACA Howe, which is attached as a schedule to this Circular for information, dated 24 February 2015. The Directors confirm that there were no material changes to the conditions of the Licence since the date of the valuation. The Directors believe that this Proposal is in the best interest of Shareholders and accordingly have entered into the Settlement Deed, conditional on Shareholder approval.

If the CVA and the Disposal are approved, the Company will have no other assets and accordingly, pursuant to Rule 15 of the AIM Rules, becomes an investing company. Following the issue of the Subscription Shares the Company will also have approximately £926,150 of cash to make further investments. Pursuant to the AIM Rules the Company is required to adopt an investment policy, setting out its investing strategy for the Company going forward. This must be approved by Shareholders. The Proposed Directors have prepared the proposed Investing Policy, which is set out on pages 14 and 15 of the Circular, for consideration by the Shareholders at the General Meeting.

If this Investing Policy is approved, the Company must make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 or otherwise implement the Investing Policy approved at the General Meeting to the satisfaction of the Exchange within twelve months of becoming an investing company.

Conditional on the passing of the Resolutions, Christian Schaffalitzky, Richard Nolan, Garth Earls and Gerald Desler will resign as directors immediately following the conclusion of the General Meeting and Edward Dawson, Richard Mays, Bill Smith and Gavin Burnell will be appointed to the board of the Company.

A notice convening a General Meeting at 11:30 a.m. on 14 April 2015, at the offices of Peterhouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD, to consider the Resolutions, is set out at the end of this Circular.

Unless all of the Resolutions are passed the Proposals would not proceed.

Terms of the CVA

Under the proposed terms of the CVA, the Creditors will, in aggregate, be offered a total of £100,000.
together with the cash and debtors remaining in the Company, immediately prior to the injection of new funds, which will be distributed on a pro rata basis to the Creditors who make a valid claim as soon as possible and within a maximum of twelve months of the date of the CVA being approved. The amount owed to Creditors, who will rank for dividend in the CVA, currently stands at approximately £276,039 which means that Creditors should receive approximately 48 pence for every £1 of debt. However, this is not guaranteed, and if there are employee redundancies made, employees’ claims could result in a lower return to Creditors. It is expected that the CVA will be approved at the Creditors Meetings to be held at 11:30 a.m. on 14 April 2015.

The CVA is conditional on:

1. Tridevi accepting, and the Shareholders approving the Disposal and agreeing to waive any claim to any monies disbursed as part of the CVA; and

2. Tridevi making a single contribution of £50,000 towards the CVA; and

3. Creditors being offered a total of £100,000 in full and final settlement. If agreed, this would eliminate all of the Company’s debts. The cash and debtors remaining in the Company, immediately prior to the injection of new funds will also be paid into the CVA for the benefit of Creditors.

For the avoidance of doubt, Shareholders will retain their Existing Ordinary Shares in the Company and the CVA will not result in any distribution being made to the Shareholders of the Company in their capacity as Shareholders.

The Directors have requested that Antony Batty of Antony Batty & Company LLP, acts as Nominee in respect of the proposal of the Directors for the CVA. Antony Batty of Antony Batty & Company LLP has provided his consent to act and his Nominee’s Report will be filed at Court as required.

In accordance with Section 246B of the Insolvency Act and Rule 12.A.12 of the Insolvency Rules 1986, as amended, notice is hereby given that a copy of the Directors’ proposal incorporating the Nominee’s Report will be available for download from the following website as of 20 March 2015:

URL: http://www.antonybatty.net/client-login.php
Client ID: 1261695714

The report can be found under “Creditor Guides and Insolvency Appointments” and is titled “Proposal by the Board of Directors for a CVA and Nominee's Report”. This document will be available at the above address for not less than three months from the date of this letter.

Should any Shareholder wish to receive a paper copy of the proposal please contact John Baalham of Antony Batty & Company LLP on 0207 831 1234, or email JohnBaalham@antonybatty.com, or write to 3 Field Court, Gray’s Inn, London, WC1R 5EF.

Copies of the circular to Creditors containing information on the proposed CVA and accompanying statutory information on the Company including a statement of affairs of the Company as at 28 February 2015 can be downloaded from the website provided above.

Resolution 1 seeks Shareholders’ approval of the CVA and Resolution 5 seeks Shareholder approval of the Disposal.

If the CVA is not approved the Directors believe that the Company will face an uncertain future as there are currently insufficient assets to repay the Creditors. In this situation it is highly likely that ahead of a cancellation of the listing on AIM, the outcome will be for the Company to be placed into liquidation and in such circumstances there are unlikely to be any returns for Shareholders.

**Share Capital Reorganisation**

The Existing Ordinary Shares have a current nominal value of £0.001 per share. The Company will not be able to raise funds via an issue of Existing Ordinary Shares at present, the current trading price of the Existing Ordinary Shares being lower than the nominal value. The Company is therefore proposing to
undertake the Share Capital Reorganisation so that it can raise further equity capital via the Subscription at the Subscription Price.

The Share Capital Reorganisation will take place in two stages:

- Firstly, every 25,000 Existing Ordinary Shares will be consolidated into one Consolidation Share. The Consolidation Shares will not be held by Shareholders but are an integral part of the Share Capital Reorganisation process (the “Consolidation”).
- Secondly, each Consolidation Share will be subdivided into 100 Ordinary Shares of 1p each and 1 New Deferred Share.

The Consolidation will give rise to fractions of shares whereby a Shareholder’s total holding of Ordinary Shares is not exactly divisible by 25,000 at the Record Date. Fractions of New Ordinary Shares will not be allotted, instead they will be aggregated and sold for the benefit of the Company. It is estimated that the total value of all fractions will amount to less than £10.

The table below gives some examples of the effect of the Share Capital Reorganisation on specific shareholdings of Existing Ordinary Shares:

<table>
<thead>
<tr>
<th>Number of Existing Ordinary Shares</th>
<th>New Ordinary Shares issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>24,999</td>
<td>0</td>
</tr>
<tr>
<td>25,000</td>
<td>100</td>
</tr>
<tr>
<td>50,000</td>
<td>200</td>
</tr>
</tbody>
</table>

Pursuant to Resolution 3, the New Deferred Shares created by the Share Capital Reorganisation will be effectively valueless as they will not carry any voting rights or dividend rights. In addition, holders of New Deferred Shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of New Ordinary Shares have received a payment of £100,000 on each such share. The New Deferred Shares will not be listed or traded on AIM and no share certificates will be issued in respect of the New Deferred Shares. In addition, the Board may appoint any person to act on behalf of all the holders of the New Deferred Shares to procure the transfer of all such shares back to the Company, or its nominee, or cancel the New Deferred Shares.

The rights attaching to the New Ordinary Shares will be identical in all respects to those of the existing Ordinary Shares, save for the change in nominal value. The New Deferred Shares will have the rights set out in Resolution 3.

At the time of issue of the Existing Options, provisions were included in the documentation to adjust the exercise price of the Existing Options following any changes to the share capital structure of the Company. Following the passing of Resolutions 2 and 3, the Directors intend to adjust the Existing Options, in line with the proposed Share Capital Reorganisation, on the basis of one New Option for each 250 Existing Options. Further to this, the exercise price will also be adjusted in line with the proposed Share Capital Reorganisation. The table below gives detail of the Existing Options and the New Options:

<table>
<thead>
<tr>
<th>Issue Date</th>
<th>Expiry Date</th>
<th>Number of Existing Options</th>
<th>Current Exercise Price</th>
<th>Number of New Options</th>
<th>New Exercise Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/04/2012</td>
<td>30/04/2022</td>
<td>52,000,000</td>
<td>0.5p</td>
<td>208,000</td>
<td>£1.25</td>
</tr>
<tr>
<td>18/11/2005</td>
<td>18/11/2015</td>
<td>4,000,000</td>
<td>1p</td>
<td>16,000</td>
<td>£2.5</td>
</tr>
<tr>
<td>31/07/2007</td>
<td>31/07/2017</td>
<td>9,100,000</td>
<td>1p</td>
<td>36,400</td>
<td>£2.5</td>
</tr>
</tbody>
</table>

The Subscription

Conditional upon the approval of the Proposals at the General Meeting, Peterhouse has placed 35,283,591 new Ordinary Shares at a price of £0.0305, raising £1,076,150 before expenses.
Use of Proceeds

£50,000 of the proceeds of the Subscription will be used to settle outstanding Creditors under the terms of the CVA, as set out above, and the remainder will provide the Company working capital to pursue its new Investing Policy.

Following the settlement of Creditors as part of the proposed CVA, the Company will be free of debt.

Dis-application of pre-emption rights and authority to allot shares

In order to facilitate the proposed Subscription, as described above and to enable the Company to raise further funds to implement its intended Investing Policy with minimal limitations, it is necessary for the Directors to seek authority from Shareholders at the General Meeting pursuant to the Companies Act 2006 to, inter alia, issue the Subscription Shares and to issue further shares for cash. The Directors may look to raise additional funds for the Company following the General Meeting, subject to any necessary resolutions being approved by Shareholders.

Full details of the authorities the Directors are seeking at the General Meeting are set out in the attached notice of General Meeting.

Change of Name

Subject to Shareholders’ approval of the Proposals, it is proposed that the name of the Company be changed to Prospex Oil and Gas Plc.

Proposed Directors

Subject to the Resolutions being passed, it is proposed that immediately following the General Meeting the Proposed Directors will join the Board and the Directors will resign from office with no compensation for loss of office, and will waive all claims against the Company under their appointment letters.

Edward Roland Dawson, CEO & Managing Director (aged 40)
Edward holds a BEng and a MSc in Investment Analysis and has over 10 years’ experience in the sector, as a financier of, investor in or holding senior management roles in junior oil and gas companies. Positions held include: Managing Director of Peppercoast Petroleum plc and Managing Director of Black Star Petroleum plc, Analyst on RAB Capital’s Energy fund, Business Development and Finance Manager for Oilexco Incorporated and a Fund Manager for Park Place Capital.

Additional disclosures pursuant to Schedule 2 (g) of the AIM Rules:

Current Directorships

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Previous Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPAGYRIC 3 LIMITED</td>
<td>BLACK STAR PETROLEUM LIMITED</td>
</tr>
<tr>
<td>THE PEPPERCOAST FOUNDATION</td>
<td>SPAGYRIC LIMITED</td>
</tr>
<tr>
<td>PROSPECT OIL AND GAS LIMITED</td>
<td>BLACK STAR PETROLEUM PLC</td>
</tr>
<tr>
<td>PROSPEX OIL AND GAS LIMITED</td>
<td>BLACK STAR PETROLEUM GB LIMITED</td>
</tr>
<tr>
<td>FIT CLOUD TECHNOLOGY LIMITED</td>
<td>PEPPERCOAST PETROLEUM PLC</td>
</tr>
<tr>
<td>MEMBR INC</td>
<td></td>
</tr>
</tbody>
</table>

Richard Paul Mays, Non-Executive Director (aged 54)
Richard holds LLB, LLM, PhD degrees and is a Solicitor in Scotland. Formerly Professor and Depute Dean of the Aberdeen Business School he has extensive industry, commercial and legal experience. He is VP and General Counsel at Canadian Overseas Petroleum Limited a TSX and FTSE listed company. He has leadership and senior management experience of other London Stock Exchange listed companies (formerly at DEO Petroleum plc and at Oilexco North Sea Limited). He has also served as Executive Chairman of Peppercoast Petroleum plc and Black Star Petroleum plc.
Additional disclosures pursuant to Schedule 2 (g) of the AIM Rules:

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Previous Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALLORK LIMITED</td>
<td>DEO PETROLEUM PLC</td>
</tr>
<tr>
<td>SALLORK (PROPERTY) LIMITED</td>
<td>DEO PETROLEUM U.K. LIMITED</td>
</tr>
<tr>
<td>SALLORK LEGAL AND COMMERCIAL CONSULTING LIMITED</td>
<td>DEO PETROLEUM EXPLORATION LIMITED</td>
</tr>
<tr>
<td>PROSPECT OIL AND GAS LIMITED</td>
<td>BLACK STAR PETROLEUM PLC</td>
</tr>
<tr>
<td>PROSPEX OIL AND GAS LTD</td>
<td>THE PEPPERCOAST FOUNDATION</td>
</tr>
<tr>
<td>ARENITE PETROLEUM LIMITED</td>
<td>BLACK STAR PETROLEUM GB LIMITED</td>
</tr>
<tr>
<td>CANADIAN OVERSEAS PETROLEUM (UK) LIMITED</td>
<td>PEPPERCOAST PETROLEUM PLC</td>
</tr>
<tr>
<td></td>
<td>BLACK STAR PETROLEUM LIMITED</td>
</tr>
</tbody>
</table>

William (“Bill”) Hartman Smith, Non-Executive Director (aged 62)
Bill is a resident of Calgary, Alberta, Canada. He is a director of a number of listed and private companies including Orca Exploration Group (TSXV); Mosaic Capital Corporation (TSXV); Axia NetMedia Corporation (TSX); PFB Corporation (TSX). He holds a license to practice law in Alberta and is a past senior partner of McCarthy Tetrault LLP in Canada. He has extensive corporate experience including a number of start-up ventures and also in the oil and gas sector and brings an international prospective to the board.

<table>
<thead>
<tr>
<th>Current Directorships</th>
<th>Previous Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>AXIA NETMEDIA CORPORATION</td>
<td>SEMBIOSYS GENETICS INC</td>
</tr>
<tr>
<td>ORCA EXPLORATION GROUP</td>
<td>HUNTINGTON EXPLORATION</td>
</tr>
<tr>
<td>MOSAIC CAPITAL CORPORATION</td>
<td>AIS RESOURCES LIMITED</td>
</tr>
<tr>
<td>BOTANECO INC</td>
<td></td>
</tr>
<tr>
<td>CLOSING FOLDERS LTD</td>
<td></td>
</tr>
<tr>
<td>NAUTOR PROGRESSIVE</td>
<td></td>
</tr>
<tr>
<td>AEONIAN CAPITAL CORPORATION</td>
<td></td>
</tr>
<tr>
<td>PFB CORPORATION</td>
<td></td>
</tr>
</tbody>
</table>

Gavin John Burnell Non-Executive Director (aged 37)
Gavin is a Director, Corporate Finance with Sanlam Securities UK Limited. He holds a degree in Accounting & Finance and has specialised in advising AIM and ISDX-traded smaller companies for the last thirteen years.

Gavin is a co-founder and / or director of a number of private and publicly traded entities, including Globo plc, Elephant Oil Limited, Magnolia Petroleum plc, Stratex International plc, Iceni Oil and Gas Limited (sold to then TSXV-listed Bridge Resources Corp), Silvrex Limited (sold to Stratex), Sula Iron & Gold plc and Hot Rocks Investments plc. Gavin has taken a number of companies from start-up through to sale or flotation.
**Current Directorships**

<table>
<thead>
<tr>
<th>Woodland Capital Limited</th>
<th>Lombard Capital PLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Globo PLC</td>
<td>Stratex West Africa Limited</td>
</tr>
<tr>
<td>Magnolia Petroleum PLC</td>
<td>Sports 1st Ltd</td>
</tr>
<tr>
<td>Lizzy Bet Limited</td>
<td>Sula Iron &amp; Gold PLC</td>
</tr>
<tr>
<td>Hot Rocks Investments PLC</td>
<td>North American Petroleum PLC</td>
</tr>
<tr>
<td>Hellenic Capital PLC</td>
<td>IT &amp; Web Technology Limited</td>
</tr>
<tr>
<td>Berkeley Estates &amp; Management Limited</td>
<td></td>
</tr>
<tr>
<td>Rift Resources Limited</td>
<td></td>
</tr>
<tr>
<td>Ruegg &amp; Co Limited</td>
<td></td>
</tr>
<tr>
<td>Elephant Oil Limited</td>
<td></td>
</tr>
<tr>
<td>Datanostic Limited</td>
<td></td>
</tr>
<tr>
<td>Goldcrest Resources Limited</td>
<td></td>
</tr>
</tbody>
</table>

**Previous Directorships**

<table>
<thead>
<tr>
<th>Edward Dawson and Richard Mays</th>
</tr>
</thead>
</table>

Edward Dawson and Richard Mays were appointed to the board of Broadway Consolidated plc Limited (“Broadway”), by RAB Capital (“RAB”) acting as the investment manager of the RAB Energy Fund Limited under and in accordance with the loan agreement dated 3 November 2005 with the Broadway (“RAB Loan Agreement”). RAB Energy Fund Limited was not a shareholder at the time.

At a board meeting of Broadway which had taken place on 11 March 2010, two members of the board, Mr Stickley and Mr Townsend refused to acknowledge the validity of the appointment under the RAB Loan Agreement. As a result, RAB commenced proceedings against Broadway, seeking confirmation of the validity of the appointment. Following a court hearing which took place on 20 April 2010, the court upheld the right of appointment under the RAB Loan Agreement and Edward Dawson and Richard Mays were confirmed as appointed to the board.

In 2011 the company changed its name to Peppercoast Petroleum plc (“Peppercoast”). As directors Edward Dawson and Richard Mays led, what they perceive to be, a transformation of Peppercoast including the restructuring of debts and management. They led a refinancing of Peppercoast and appointed financial advisors to assist a strategic alternatives review. In 2011 a sale and purchase agreement was entered into in respect of the Peppercoast’s asset. The transactional value of the sale and purchase was $109m. That transaction finally completed in 2013, and the asset held by Peppercoast was transferred to Canadian Overseas Petroleum Limited and ExxonMobil. The transaction was formally endorsed by the President and both the Congress and the Senate of Liberia. On completion, all creditors were paid, all taxes were paid, the residual funds were distributed as a capital distribution and the Peppercoast entered into a members’ voluntary liquidation in 2013.

During its existence there were some adverse media articles concerning Peppercoast, but these do not relate to either Edward Dawson or Richard Mays. Any criticisms of Peppercoast or its affairs relate to matters in the period prior to their involvement.
Mr. William Smith, a nominee director was a director and officer of Oilexco Incorporated ("Oilexco") when, as a consequence of the severe disruption in the financial and commodity markets during the fall of 2008, it filed for protection under the Companies Creditors' Arrangement Act (Canada) on or about February 5, 2009. At about the same time its wholly-owned subsidiary in the United Kingdom (of which Mr. Smith was also a director and officer) filed for administration for the benefit of its creditors. Oilexco was subsequently suspended from trading by the TSX-V in September, 2009. ScotOil Petroleum Limited, the successor to Oilexco, was subject to cease trade orders issued by the Alberta, British Columbia and Ontario securities commissions in March 2010 for failure to file financial statements. In addition, the directors of Oilexco, including Mr. Smith, were reprimanded by the TSX-V finding that Oilexco ought to have issued certain press releases when it was insolvent.

Mr. William Smith was a director of SemBioSys Genetics Inc. ("SemBioSys") a listed Canadian company which was developing technology to manufacture insulin in genetically modified plants. The company was approached by a Chinese company Tasly Pharmaceuticals, Ltd of Tianjin, China ("Tasly") which is one of China’s top 5 producers of Chinese Medicines. However, shortly before the deal was finalised Tasly withdrew from the arrangement. SemBioSys was struggling financially and Mr. Smith and other directors resigned from the board. Shortly thereafter, a secured creditor, being the main investor, in an effort to protect his investment was granted a court order to enforce his security and remove specific secured assets from SemBioSys. SemBioSys was not placed into administration however there was an orderly liquidation of its other assets and the funds realized were distributed to the other creditors.

Proposed Directors Interest in the Subscription Shares and Proposed Remuneration Package

The Proposed Directors are participating in the Subscription, and conditional on the passing of all the Proposals, their interest in the Enlarged Share Capital will be as follows:

<table>
<thead>
<tr>
<th>Proposed Director</th>
<th>Number of Subscription Shares</th>
<th>Percentage of the Enlarged Share Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Mays*</td>
<td>1,311,474</td>
<td>3.21%</td>
</tr>
<tr>
<td>Gavin Burnell</td>
<td>721,311</td>
<td>1.77%</td>
</tr>
<tr>
<td>Edward Dawson</td>
<td>1,639,344</td>
<td>4.02%</td>
</tr>
<tr>
<td>Bill Smith</td>
<td>1,639,344</td>
<td>4.02%</td>
</tr>
</tbody>
</table>

* 983,606 Ordinary Shares are held through Sallork Limited, a company wholly owned and controlled by Richard Mays

Proposed Directors Remuneration Package

In addition, as set out below, subject to completion of the Proposals and the adoption of a Share Option Plan it is proposed that each of the Proposed Directors enter into a letter of appointment with the Company pursuant to which they will each be appointed as non-executive directors of the Company for an initial term of one year and that they will each be paid £12,000 per annum, monthly in arrears; other than Edward Dawson who will be appointed as an executive director for an initial term of one year and will be paid £102,000 per annum, monthly in arrears. In addition, it is intended that the Proposed Directors will be issued options over a total of 5.66% of the issued share capital of the Company (as set out below) exercisable at the Subscription Price at any time for a period of ten years, subject to the approval of the Nominated Adviser.

<table>
<thead>
<tr>
<th>Proposed Directors</th>
<th>Number of Options over Ordinary Shares</th>
<th>Percentage of the Enlarged Share Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Richard Mays</td>
<td>541,726</td>
<td>1.33%</td>
</tr>
<tr>
<td>Gavin Burnell</td>
<td>541,726</td>
<td>1.33%</td>
</tr>
<tr>
<td>Edward Dawson</td>
<td>680,212</td>
<td>1.67%</td>
</tr>
<tr>
<td>Bill Smith</td>
<td>541,726</td>
<td>1.33%</td>
</tr>
</tbody>
</table>
Investing Policy

The Company's proposed new Investing Policy is to invest in and/or acquire companies and/or projects within the natural resources and/or energy sector with potential for growth and/or income. The Company may also directly apply for new exploration licences or invest in existing licences. It is anticipated that the geographical focus will primarily be Europe, however, investments may also be considered in other regions to the extent that the Proposed Directors consider that valuable opportunities exist and returns can be achieved.

In selecting investment opportunities, the Proposed Directors will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value. Where appropriate, the Proposed Directors may seek to invest in businesses where it may influence the business at a board level, add their expertise to the management of the business, and utilise their significant industry relationships and access to finance; as such investments are likely to be actively managed.

The Company's interests in a proposed investment and/or acquisition may range from a minority position to full ownership and may comprise one investment or multiple investments. The proposed investments may be in either quoted or unquoted companies; be made by direct applications, acquisitions or farm-ins; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures or direct or indirect interests in assets, projects or licences. The Proposed Directors may focus on investments where intrinsic value can be achieved from the restructuring of investments or merger of complementary businesses.

The Proposed Directors expect that investments will typically be held for the medium to long term, although short term disposal of assets cannot be ruled out if there is an opportunity to generate an attractive return for Shareholders. The Proposed Directors will place no minimum or maximum limit on the length of time that any investment may be held.

There is no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover under the AIM Rules. The Proposed Directors intend to mitigate risk by appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholders' approval. The Proposed Directors consider that as investments are made, and new promising investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Proposed Directors may also offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

The Proposed Directors will conduct initial due diligence appraisals of potential business or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist. The Proposed Directors believe they have a broad range of contacts through which they are aware of various opportunities which may prove suitable, although at this point only preliminary due diligence has been undertaken. The Proposed Directors believe their expertise will enable them to determine quickly which opportunities could be viable and so progress quickly to formal due diligence. The Company will not have a separate investment manager. The Company proposes to carry out a comprehensive and thorough project review process in which all material aspects of a potential project or business will be subject to rigorous due diligence, as appropriate. Due to the nature of the sector in which the Company is focused it is unlikely that cash returns will be made in the short to medium term; rather the Company expects a focus on capital returns over the medium to long term.

Proposed Grant of Options to certain Proposed Directors and key management and employees

The Directors believe that the Group's success is highly dependent on the quality and loyalty of its employees, directors, officers and consultants. To assist in the recruitment, retention and motivation of high quality staff, as necessary, the Company must have an effective remuneration strategy. The
Proposed Directors consider that an important part of this remuneration strategy is the ability to award equity incentives and, in particular, share options. The Proposed Directors also feel that it is important to address the requirements of such persons according to the different legal and tax requirements of the region in which they work. Conditional on the approval of the Resolutions, the Company intends to adopt an option plan and grant options over up to 10% of the issued share capital of the Company, from time to time as enlarged by any future issues of equity. Subject to the approval of the Nominated Adviser and following the Share Capital Reorganisation and Subscription, the Proposed Directors intend to issue themselves options over 5.66% of the issued share capital of the Company exercisable at the Subscription Price for a period of ten years.

**Directors Participation in the CVA**

Under the terms of the CVA the directors are making a claim for unpaid remuneration, as set out below. Accordingly, assuming all Creditors make a valid claim under the CVA, the total amount to be paid to directors under the CVA is also set out below. Should fewer of the Creditors make a valid claim under the CVA then the amount issued to the Directors may increase:

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount Owing to the Directors (£)</th>
<th>Amount anticipated to be paid out under the CVA (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garth Earls</td>
<td>35,300.00 (Salary) 5,993.88 (expenses)</td>
<td>19,821.06</td>
</tr>
<tr>
<td>Gerry Desler</td>
<td>32,400.00 (Salary) 196.10 (expenses)</td>
<td>15,646.13</td>
</tr>
<tr>
<td>Richard Nolan</td>
<td>45,000.00 (Salary) 1,722.00 (expenses)</td>
<td>22,426.56</td>
</tr>
<tr>
<td>Christian Schaffalitzky</td>
<td>16,666.70 (salary)</td>
<td>8,000.02</td>
</tr>
</tbody>
</table>

The settlement of the remuneration and expenses under the CVA to the directors constitutes a related party transaction pursuant to Rule 13 of the AIM Rules. However, there are no independent directors for the purpose of providing the statement required by Rule 13. Therefore having consulted with the Directors, W H Ireland, the Company’s Nominated Adviser considers that the terms of the settlement of the Directors remuneration and expenses are fair and reasonable insofar as the shareholders are concerning.

**Share certificates**

No new share certificates are being issued in respect of Existing Ordinary Shares held in certificated form but any new share certificates will be issued in the name of Prospex Oil and Gas Plc. Shareholders should retain their existing share certificates which will continue to be valid.

**General Meeting**

There is attached to this Document the notice convening a General Meeting of the Company to be held at the offices of Peterhouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD, at 11:30 a.m. on 14 April 2015 at which the Resolutions will be proposed to, inter alia, approve the CVA, to appoint the Proposed Directors, to approve the Share Capital Reorganisation, to give the Directors authority to issue the New Ordinary Shares, to approve the Disposal and to change the name of the Company. A summary of the Resolutions is set out below. Please note that unless all of the Resolutions are passed the Proposals outlined in this Document will not proceed.

At the General Meeting, the following Resolutions will be proposed, of which resolutions 1 – 10 will be proposed as ordinary resolutions and resolutions 11 and 12 will be proposed as special resolutions:

Resolution 1 seeks approval for the entry into the CVA

Resolution 2 is to consolidate the Company’s share capital so that every 25,000 Ordinary Shares will be consolidated into 1 Consolidation Share of £25 each.
Resolution 3 seeks to subdivide the Consolidation Shares so that every Consolidation Share will be subdivided into 100 New Ordinary Share of £0.01 each and 1 New Deferred Share of £24 each.

Resolution 4, is in substitution for all existing authorities and will give the Directors authority to allot shares in the capital of the Company up to an aggregate nominal value of £1,000,000.

Resolution 5 seeks approval for the Disposal, pursuant to AIM Rule 15, on the terms set out in this Circular and pursuant to the Settlement Deed

Resolution 6, seeks approval for the Investing Policy to be adopted by the Company as set out in this Circular.

Resolutions 7 - 10 seek approval for the appointments of Edward Dawson, Richard Mays, Bill Smith and Gavin Burnell to the Board of the Company.

Resolution 11 seeks approval for the change of the Company’s name to Prospex Oil and Gas Plc.

Resolution 12 which is conditional upon Resolution 4 be passed will empower the Directors to allot equity securities for cash on a non-pre-emptive basis (i) up to any agreed nominal amount of £352,835.91 in connection with the Subscription and (ii) otherwise up to an aggregate nominal amount of £1,000,000

Resolutions 4 and 12 will replace the existing authorities relating to the allotment of shares in the capital of the Company obtained at the annual general meeting of the Company held on 24 June 2014.

Please note that unless all of the Resolutions are passed the Proposals outlined in this Document will not proceed. If any of the Resolutions are not passed the General Meeting will be adjourned and the Board will consider the Company’s future position in respect of its current trading and working capital position. The Board will seek immediate advice regarding insolvency proceedings in relation to its assets.

Admission to Trading on AIM
Application will be made for the 5,447,700 New Ordinary Shares being created as a result of the Share Capital Reorganisation and the 35,283,591 New Ordinary Shares being issued as a result of the Subscription, to be admitted to AIM and admission is expected to occur on 15 April 2015 (“Admission”).

On Admission the Company will have in issue a total of 40,731,291 Ordinary Shares of £0.01 each.

Action to be taken
Shareholders will find a Form of Proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company, not later than 11:30 on 9 April 2015, being 2 business days before the time appointed for holding the General Meeting. You are entitled to appoint a proxy to attend and to exercise all or any of your rights to vote and to speak at the General Meeting instead of you. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish. Your attention is drawn to the notes to the Form of Proxy.

Recommendation
The Directors consider the Proposals to be in the best interests of the Company and the Shareholders as a whole. The Directors therefore unanimously recommend that you vote in favour of the Resolutions as they will be doing in respect of shares representing 3.94 % of the issued share capital of the Company.

Yours faithfully,

Christian Schaffalitzky
For and on behalf of the Board
Premier Gold Resources Plc
Schedule
ACA Howe Valuation

A C A HOWE INTERNATIONAL LIMITED
Geological and Mining Consultants

Wingbury Courtyard Business Village, Upper Wingbury Farm, Wingrave, Aylesbury, Buckinghamshire HP22 4LW, UK
Tel: +44 (0)1442 873398
E-mail: reception@acahowe.co.uk

February 24th, 2015

The Directors
Premier Gold Resources Plc
Stonebridge House
Chelmsford Road
Hatfield Heath
Essex CM22 7BD
United Kingdom

Dear Sirs,

The local staff and contractors of Premier Gold Resources have been subjected to both physical and verbal threats from sections of the local community opposed to drilling on targets identified by Premier’s exploration programme on the Cholokkaindy licence area in Kyrgyzstan. These actions have prevented the Company from accessing the site over the last 30 months and from progressing the project further.

Premier has been trying unsuccessfully during this period to reach an agreement to facilitate safe access to the licence area. This has included repeated meetings with a wide range of stakeholders, including the Kyrgyz Government, regional and local administrations and residents of villages in the vicinity of the Cholokkaindy licence area. To date, this has not been successful in re-establishing access to the project area.

Further engagement with all stakeholders is required to attempt to move towards a solution but there remains no guarantee that any future negotiations will prove positive and even if they are successful the timeframe of access remains uncertain. Premier has informed ACA Howe that the Company does not have funds available to undertake due legal process or arbitration as this requires the placing of significant bonds which are beyond the Company’s ability to pay.

Although significant expenditure has been incurred on the project to date in the Kyrgyz Republic and UK, this past outlay cannot be regarded to have a current value in a climate where safe working access to the mineral exploration project area is not possible to the Company (or any associated organisation).
At this time, due to the lack of safe access, it is not considered appropriate to place a current valuation on the Cholokkaindy licence area. ACA Howe is of the opinion that at the current time, and whilst there is no reasonable likelihood of accessing the licence area in the foreseeable future, the Cholokkaindy licence area has no value.

Yours faithfully,

[Signature]

Dr D J Patrick  
Director and Principal Geologist  
For and on behalf of ACA Howe International Limited
NOTICE OF GENERAL MEETING

Premier Gold Resources Plc

(Incorporated in England and Wales with registered number 3896382)

NOTICE IS HEREBY GIVEN that a general meeting of the members of Premier Gold Resources Plc (the "Company") will be held at the offices of Peterhouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD at 11:30 a.m. on 14 April 2015 for the purposes of considering and, if thought fit, passing the following resolutions with Resolutions 1 to 10 being proposed as ordinary resolutions and Resolutions 11 to 12 being proposed as special resolutions.

The Notice concerns matters described in a circular to shareholders of the Company dated 19 March 2015 (the "Circular"). Words and expressions defined in the Circular have the same meaning in this Notice. Please note that unless all of the Resolutions are passed the Proposals outlined in this Document will not proceed.

ORDINARY RESOLUTIONS

1. THAT the Company approves the CVA proposed by the Directors to its Creditors.

2. THAT every 25,000 Ordinary Shares of 0.1 pence (£0.001) in the capital of the Company be consolidated into one Consolidation Share of £25 each so that the ordinary share capital of the Company shall be one million three hundred and sixty one thousand nine hundred and thirty five pounds and ninety seven pence (£1,361,935.97) divided into 54,477 Consolidation Shares of £25 each.

3. THAT each Consolidation Share of 25 pound (£25) in the capital of the Company be sub-divided into 100 New Ordinary Shares of 1 pence (£0.01) and 1 A Deferred Share of 24 pound (£24) each, so that with effect from the date of this resolution, the ordinary share capital of the Company shall be fifty four thousand four hundred and seventy seven pounds (£54,477) divided into 5,447,744 New Ordinary Shares of 0.01 pence each, and the deferred share capital of the Company shall be two million two hundred and forty nine hundred and twenty pounds and fifty four pence (£2,249,920.54) divided into 54,477 A Deferred Shares of 24 pounds each and 942,462 existing Deferred Shares of 0.1 pence each ("Deferred Shares"). The A Deferred Shares shall have the rights and are subject to the restrictions set out in this resolution:

   (i) The Ordinary Shares, the A Deferred Shares and the existing Deferred Shares will rank equally, but will constitute three separate classes of shares.

   (ii) The Deferred Shares shall confer no right to participate in the profits of the Company.

   (iii) No certificates shall be issued in respect of any Deferred Share.

   (iv) On a return of capital on a winding-up (excluding any intra-group re-organisation on a solvent basis) there shall be paid to the holders of the Deferred Shares and the
A Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares and A Deferred Shares after first paying to the holders of the Ordinary Shares the nominal capital paid up or credited as paid up on the Ordinary Shares held by them respectively, together with the sum of one hundred thousand pounds (£100,000) on each Ordinary Share.

(v) The holders of the A Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

(vi) The holders of the A Deferred Shares shall not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.

(vii) The Company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority to the A Deferred Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the A Deferred Shares) shall be treated as being in accordance with the rights attaching to the A Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the A Deferred Shares.

(viii) The passing by the Company of any resolution for the reduction of capital, including the cancellation of the A Deferred Shares without repayment of capital in respect thereof or a reduction by the Company of the capital paid up on the A Deferred Shares shall be in accordance with the rights attaching to the A Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (subject to the confirmation of the court in accordance with the Companies Act 2006 (the "Act")) without obtaining the consent of the holders of the A Deferred Shares.

(ix) The purchase by the Company in accordance with the provisions of the Companies Act 2006 of any of its own shares or other securities or the passing of a resolution to permit any such purchase shall be treated as being in accordance with the rights attaching to the A Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the A Deferred Shares.

(x) Other than as specified in paragraph (xi) of this resolution below, the A Deferred Shares shall not be capable of transfer at any time other than with the prior consent of each of the Directors, nor shall the holders of them be entitled to mortgage, pledge, charge or otherwise encumber them or create or dispose of or agree to create or dispose of any interest (within the meaning of section 820 of the Act) whatsoever in any A Deferred Shares.

(xi) The Company may at any time (and from time to time), without obtaining the sanction of the holder or holders of the A Deferred Shares:

(a) appoint any person to accept any offer and agree to sell and to execute on behalf of any holder of A Deferred Shares a transfer of all of the A Deferred Shares or
any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine (whether or not an officer of the Company), in any case for not more than one pence (£0.01) for all the A Deferred Shares then being purchased without any requirement to indemnify or to obtain the consent or sanction of the holders thereof or any of them and for the purposes of such purchase to appoint a person to execute (on behalf of the holders of such A Deferred Shares) a contract for the sale to the Company of any A Deferred Shares held by any such holders and to receive the consideration on behalf of any such holders without any obligation to pay such consideration (or any proportion thereof) or otherwise be accountable in respect thereof to such holders; and

(b) cancel all or any of the A Deferred Shares so purchased by the Company in accordance with the Act.

4. THAT, in accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to:

(a) allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Relevant Securities") up to an aggregate nominal amount of £1,000,000; and

(b) allot equity securities (as defined by section 560 of the Act up to an aggregate nominal amount of Relevant Securities allotted pursuant to the authority in paragraph (c) below) in connection with an offer by way of a rights issue:

(i) to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and

(ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(c) in any other case an additional nominal amount of £1,000,000 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in paragraph (b) above),

provided that this authority shall, unless renewed varied or revoked by the Company, expire fifteen months after the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities or equity securities as the case may be to be allotted after such expiry and the Directors may allot Relevant Securities or equity securities in
pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

5. THAT, the disposal by the Company of Central Asia Resources Limited to Tridevi as further described in the Circular and pursuant to the Settlement Deed be approved for the purpose of Rule 15 of the AIM Rules.

6. THAT, the new Investing Policy as set out in the Circular be approved.

7. THAT Edward Dawson be appointed to the Board of the Company subject to the approval of the Nominated Adviser.

8. THAT Richard Mays be appointed to the Board of the Company subject to the approval of the Nominated Adviser.

9. THAT William Smith be appointed to the Board of the Company subject to the approval of the Nominated Adviser.

10. THAT Gavin Burnell be appointed to the Board of the Company subject to the approval of the Nominated Adviser.

SPECIAL RESOLUTIONS

11. THAT, the Company’s name be changed to Prospex Oil and Gas Plc.

12. THAT, the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities wholly for cash, within the meaning of section 560(1) of the Act, pursuant to the general authority conferred by Resolution 4 above as if section 561(1) of the Act did not apply to any such allotment of equity securities, provided that this power shall be limited to:

   a. the allotment of up to 35,283,591 Subscription Shares in connection with the Subscription; and

   b. the allotment of equity securities in connection with an offer of equity securities by way of rights issue:

(i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and

(ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
c. the allotment (otherwise than pursuant to paragraphs (a) and (b) above) of equity securities additionally and in a nominal amount of £1,000,000.

The power granted by this Resolution will expire fifteen months after the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

By order of the Board
Gerald Desler

Stonebridge House
Chelmsford Road
Hatfield Heath
Essex
CM22 7BD

Date: 19 March 2015
NOTES:

(i) A member entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) as his proxy to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

(ii) Your proxy could be the chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.

(iii) A form of proxy is enclosed with this notice and instructions are shown on the form. To be valid, completed proxies must be received (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney) by Peterhouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD, no later than 48 hours (excluding any part of a day that is not a working day) before the time for holding the meeting in one of the following ways:
   a. hard copy form by post, by courier or by hand to PeterHouse Corporate Finance Limited, 3rd Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD;
   b. by fax to the Company's registrar on fax number +44 (0) 20 7220 9798; or
   c. scanned and emailed to Peterhouse Corporate Finance Limited using the email address Lucy@pcorpfin.com.

(iv) We apologise but the appointment of proxies or the giving of any instruction by the CREST system will not be accepted for the purposes of this General Meeting.

(v) The Company specifies, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, that only those shareholders registered in the register of members of the Company as at 6 p.m. on 10 April 2015 (or, if the meeting is adjourned, at 6 p.m. on the date which is two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares registered in their respective names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

(vi) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).
(vii) To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Peterhouse Corporate Finance Limited on +44 (0)20 7469 0932. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.

(viii) Any member or his proxy attending the meeting has the right to ask any question at the meeting relating to the business of the meeting.

(ix) As at 19 March 2015 (being the latest practicable date prior to the publication of this Notice of General Meeting) the Company’s issued share capital consists of 1,361,935,975 Ordinary Shares, carrying one vote each and 942,462,000 Deferred Shares which have no vote rights. Therefore, the total voting rights in the Company as at 19 March 2015 are 1,361,935,975.