



SEVENTY  
NINTH™  
RESOURCES

RS3 MULTI-ASSET

# Information Memorandum (Series C)

QUARTERLY RETURNS



# INFORMATION MEMORANDUM – EXEMPT OFFERING

## Loan Note Programme

Under this €46,000,000.00 loan note programme (the “**Programme**”), 79th Resources Limited (the “**Issuer**”) may from time-to-time issue loan notes (the “**Loan Notes**”) pursuant to the terms of the Loan Note Instrument. The Loan Notes are denominated in Euro (€). The Loan Note shall be issued in denominations of €1,000.00 and shall be subject to the Minimum Investment which is €100,000.00.

Loan Notes shall only be issued in registered form. The maximum aggregate nominal amount of all Loan Notes from time to time outstanding under this Programme will not exceed €46,000,000.00, subject to increase as described herein up to a maximum of €92,000,000.00 (hereinafter the “**Total Issuance**”). The Loan Notes may be issued on a continuing basis from time to time by the Issuer until such time that the Total Issuance has been reached or such time that 12 months has passed since the date hereof. It should be noted that the Issuer may issue several separate loan note programmes with materially different terms.

See “Risk Factors” contained in this Information Memorandum for a discussion of certain factors to be considered in connection with an investment in the Loan Notes. **IN PARTICULAR PLEASE CAREFULLY CONSIDER THE RISK FACTORS COMMENCING ON PAGE 6 AND WHETHER SUCH AN INVESTMENT IS SUITABLE FOR YOU.** Section 346A(1) of the Financial Services Act 2019 (“FSA 2019”) states “an offer of securities to the public made in or from Gibraltar is exempt from the obligation to publish a prospectus under Article 3 of the (Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”)) if the total consideration of the offer is not more than €8,000,000.00 calculated over a period of 12 months.” The Issuer is relying on this exemption and therefore this Information Memorandum has not been approved as a prospectus by the GFSC or any other regulator.

This Information Memorandum is not required to meet the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Prospective subscribers should make their own assessment on the suitability of the Loan Note Instrument and Information Memorandum having regard to the risks and their respective risk appetite.

Whilst the Information Memorandum is being issued under the aforementioned exemption, section 346A(2) states that the exemption “applies without affecting the right of an issuer, offeror or person seeking admission to trading on a regulated market to draw up a prospectus voluntarily in accordance with Article 4 of the Prospectus Regulation”. The Issuer reserves the right to make an application to IPO. Such a decision is at the Directors’ sole and absolute discretion. The Conversion may apply during the term as provided in this Information Memorandum and the respective Loan Note Instrument, accordingly.

Notice of the aggregate nominal amount of Loan Notes, interest (if any) payable in respect of Loan Notes, the issue price of Loan Notes and any other terms and conditions shall be provided in accordance with the terms of this Information Memorandum and the respective Loan Note.

This Programme is valid for the earlier of 12 months from the date of this issuance by the Issuer or the Total Issuance being achieved. The Issuer is not obligated to supplement this Information Memorandum in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Information Memorandum is no longer valid.

The Issuer may agree that Loan Notes may be issued in a form not contemplated by this Information Memorandum. This is not a prospectus for any purpose whatsoever under the laws of the United States of America.

The Issuer accepts responsibility for the information contained in this Information Memorandum and Loan Note Instrument accordingly. To the best of the knowledge of the Issuer, the information contained in this Information Memorandum is true and accurate in all material respects, and there are no other facts the omission of which would make misleading any statement. Any information sourced from third parties contained in this Information Memorandum has been accurately reproduced (and is clearly sourced where it appears in the document) and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Security Trustee has not separately verified the information contained herein. The Security Trustee does not make any representation, express or implied, or accept any responsibility with respect to the accuracy or completeness of any information in this Information Memorandum. None of this Information Memorandum, or any other information supplied in connection with the Programme, the Issuer or the Loan Note Instrument is intended to provide the basis of any credit, risk or other evaluation and none of this Information Memorandum, or any other information supplied in connection with the Programme, or the Issuer should be considered as a recommendation by the Security Trustee that any recipient thereof

should subscribe for a Loan Note. Each prospective subscriber should determine for itself the relevance of the information contained in this Information Memorandum and the Loan Note Instrument and its subscription should be based upon such investigations as it deems necessary. The Security Trustee has not and will not review the financial condition or affairs of the Issuer or any other entity whatsoever during the life of the arrangements contemplated by this Information Memorandum.

This Information Memorandum is to be read in conjunction with the Loan Note Instrument. This Information Memorandum shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum.

The information contained in this Information Memorandum was obtained from the Issuer and other sources, but no assurance can be given by any service provider to the Issuer as to the accuracy or completeness of this information. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any service provider to the Issuer as to (i) the accuracy or completeness of the information contained or incorporated in this Information Memorandum or any other information provided by the Issuer in connection with the Programme or (ii) any other statement, made or proposed to be made by any service provider to the Issuer or on its behalf in connection with the Issuer, or the issue and/or offering of any Loan Notes. None of the Issuer's service providers or agents accept any liability in relation to the information contained or incorporated by reference in this Information Memorandum or any other information provided by the Issuer in connection with the Programme. Accordingly, each of the Issuer's service providers disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement or information.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Memorandum, Loan Note Instrument or any other information supplied in connection with the Programme or the Loan Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Information Memorandum, the Loan Note Instrument or any other information supplied in connection with the Programme, or any Loan Notes (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer that any recipient of this Information Memorandum, the Loan Note Instrument or any other information supplied in connection with the Programme, or any Loan Notes should be subscribed for. Each prospective subscriber contemplating purchasing any Loan Notes must seek its own independent investment advice regarding the appropriateness of an investment in the Loan Notes.

Neither the delivery of this Information Memorandum, the Loan Note Instrument or the offering, sale or delivery of any Loan Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.

This Information Memorandum or the Loan Note Instrument does not constitute an offer to sell or the solicitation of an offer to buy any Loan Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and/or the Loan Note Instrument may be restricted by law in certain jurisdictions. The Issuer does not represent that this Information Memorandum and/or the Loan Note Instrument may be lawfully distributed, or that any Loan Notes may be lawfully offered/subscribed for, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Loan Notes or distribution of this Information Memorandum and/or the Loan Note Instrument in any jurisdiction where action for that purpose is required. Accordingly, no Loan Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum and/or the Loan Note Instrument nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum and/or the Loan Note Instrument may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and/or the Loan Note Instrument. In particular, there are restrictions on the distribution of this Information Memorandum and/or the Loan Note Instrument and the offer or sale of Loan Notes in the United States, the European Economic Area and the United Kingdom (see "Selling Restrictions").

This Information Memorandum has been prepared on the basis that any offer of Loan Notes in any Member State of the European Economic Area will be made pursuant to an exemption under the Regulation, from the requirement to publish an Information Memorandum. Accordingly, any person making or intending to make an offer in a Member State of the EEA of Loan Notes which are the subject of an offering contemplated in this Information Memorandum and/or the Loan Note Instrument may only do so in circumstances in which no obligation arises for the Issuer to publish an Information Memorandum pursuant to Article 3 of the Prospectus Regulation. The Issuer has not authorised and does not authorise, the making of any offer of Loan Notes in circumstances in which an obligation arises for the Issuer to publish or supplement an Information Memorandum for such offer.

In making an investment decision and on receipt of the aforementioned independent investment advice, prospective subscribers must rely on their own examination of the Issuer, the Information Memorandum, the Loan Note Instrument and the terms of the Loan Notes being offered, including the merits and the risks involved.

The subscription of the Loan Notes created by the Loan Note Instrument may not be a suitable investment for all prospective subscribers. Each prospective subscriber must determine the suitability of that investment in light of its own circumstances. In particular, each prospective subscriber should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Loan Note Instrument and this Information Memorandum, the merits and risks of investing in the Loan Notes and the information contained or incorporated by reference in this Information Memorandum and the Loan Note Instrument;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Loan Notes and the impact the Loan Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Loan Notes;
- understand thoroughly the terms of the Loan Note Instrument and this Information Memorandum; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Loan Note Instruments can be complex financial instruments. Sophisticated institutional investors generally do not subscribe or purchase complex financial instruments as stand-alone investments. They subscribe and/or purchase complex financial instruments to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A prospective subscriber should not invest in Loan Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate the terms of this Information Memorandum and the Loan Note Instrument and the impact this investment will have on the prospective subscriber's overall investment portfolio.

The investment activities of certain prospective subscribers are subject to legal investment laws and regulations, or review or regulation by certain authorities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Loan Notes under any applicable risk-based capital or similar rules.

Any prospective subscriber considering the Information Memorandum and the Loan Note Instrument should be able to bear the economic risk of an investment in the Loan Notes for a short to medium period of time. This may include the risk that the Issuer may not be able to repay the Outstanding Amount or pay the Interest payments and that the Security may be insufficient to cover the Outstanding Amount and any Interest due and owing under the terms of the Loan Note Instrument.

By requesting copies of any of the documents referred to herein, each prospective subscriber agrees to keep confidential the various documents and all written information clearly labelled "Confidential" which from time to time have been or will be disclosed to it concerning the Issuer or any of their affiliates and agrees not to disclose any portion of the same to any person.

## **FORWARD-LOOKING STATEMENTS**

This Information Memorandum contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Issuer to differ materially from the information presented herein. When used in this Information Memorandum, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Issuer and its management, are intended to identify such forward-looking statements. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Issuer and the Directors concerning, amongst other things, the investment strategy, financing strategies and investment performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in general market conditions, legislative or regulatory changes, changes in taxation, the Issuer's ability to invest its cash and the proceeds of the Issue in suitable investments on a timely basis and the availability and cost of capital for future investments.

Certain statements in this Information Memorandum may constitute forward-looking statements relating to such matters as business prospects, new products, services and similar matters. A variety of factors could cause the Issuer's actual results and experience to differ materially from the anticipated results or other expectations expressed in the Issuer's forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Issuer does not undertake any obligation publicly to release the result of any revisions to these forward-looking

statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

#### **SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES**

The Issuer is a private company limited by shares incorporated under the laws of Gibraltar. All, or a substantial portion of, the assets of the Issuer are located outside Gibraltar and therefore consideration will need to be given to understand the nature and process of the sale of its underlying assets in a Default Event.

#### **U.S. INFORMATION**

The Loan Note Instrument has not been and will not be registered under the U.S. Securities Act, or the securities laws or “blue sky” laws of any state or other jurisdiction of the United States or other territory and may not be offered or sold or delivered in the United States or to or for the account or benefit of any U.S. persons.

The Loan Note Instrument has not been approved or disapproved by the SEC or any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is a criminal offence.

The Loan Notes are not available for subscription by any person or for the account of any person who is in the United States or who is a U.S. person.

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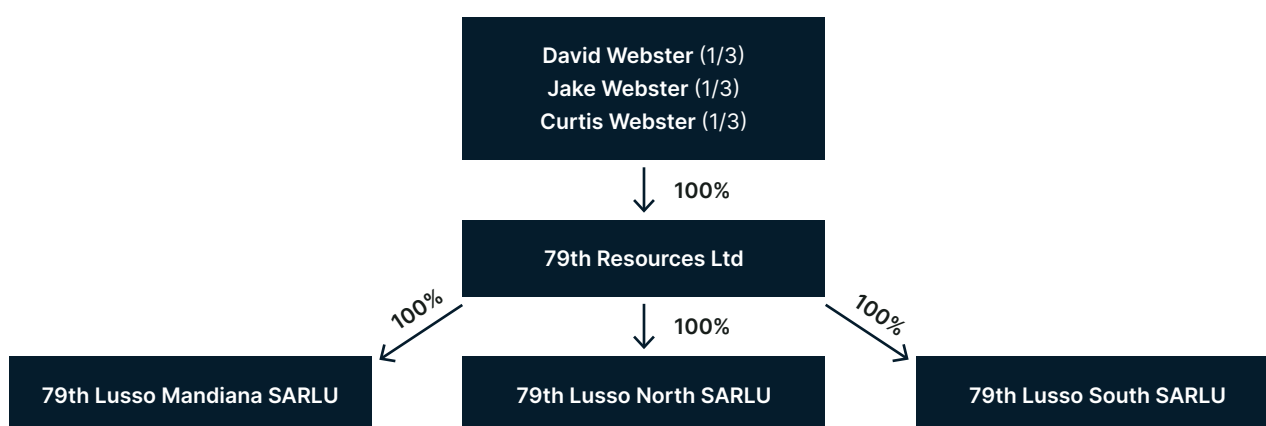
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# 1. Structure Overview

This Structure Overview must be read as an introduction to this Information Memorandum, the Loan Note Instrument and any decision to invest in any Loan Notes should be based on a consideration of the aforementioned in its entirety. The Minimum Investment applies and is €100,000.00.

Section 346A(1) of the Financial Services Act 2019 (“FSA 2019”) states “an offer of securities to the public made in or from Gibraltar is exempt from the obligation to publish a prospectus under Article 3 of the Prospectus Regulation if the total consideration of the offer is not more than €8,000,000 calculated over a period of 12 months.” The Issuer is relying on this exemption and therefore this Information Memorandum has not been approved as a prospectus by the GFSC.

Following the implementation of the relevant provisions of the Information Memorandum Regulation in each Member State of the EEA no civil liability will attach to the Issuer in such Member State in respect of this Structure Overview, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Information Memorandum. Where a claim relating to information contained in this Information Memorandum is brought before a court in a Member State of the EEA, the claimant may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Information Memorandum before the legal proceedings are initiated.



Words and expressions defined elsewhere in this Information Memorandum shall have the same meanings in this Structure Overview. A glossary of certain defined terms used in this document is contained at the end of this Information Memorandum.

## 2. Risk Factors

### Introduction

The Issuer believes that the following factors may affect their ability to fulfil their respective obligations under the Loan Note Instrument.

The Loan Notes are solely debt obligations of the Issuer. The Loan Notes will not impose any obligations or the responsibility on the Security Trustee.

This section describes the principal risk factors associated with an investment in the Loan Notes. Any investment in the Loan Notes is subject to a number of risks. Prior to investing in the Loan Notes, prospective subscribers should carefully consider risk factors associated with any investment in the Loan Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Information Memorandum, including, in particular the risk factors described below, before making any investment decision. Prospective subscribers should note that the following is not an exhaustive list or explanation of all risks which subscribers may face when making an investment in the Loan Notes. The Issuer has described only those risks relating to its ability to fulfil its obligations under the Loan Notes that it considers to be material. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a Material Adverse Effect on the business, financial condition, results of operations and/or prospects of the Issuer and, if any such risk should a subscriber lose all or part of their investment. Prospective subscribers should consider carefully whether an investment in the Loan Notes is suitable for them in light of the information in this Information Memorandum, the Loan Note Instrument and their particular circumstances. The risk factors set out below are a summary of the principal risks associated with an investment.

**IN VERY GENERAL TERMS, THE ISSUER WILL BE RAISING CAPITAL VIA THE LOAN NOTES AND IS COMMITTING TO PAY INTEREST (16% P.A.) ONLY ON THE INTEREST PAYMENT DATE(S). INTEREST SHALL BE CALCULATED ON THE BASIS OF**

THE ACTUAL NUMBER OF DAYS FROM THE ISSUE DATE AND ON THE BASIS OF A 365-DAY YEAR. THE ISSUER'S ABILITY TO PAY THE INTEREST IS DEPENDANT ON THE SUCCESS OF THE ISSUER'S UNDERLYING ENTITIES AND THE ISSUER'S ABILITY TO REPAY THE LOAN NOTE AT THE REPAYMENT DATE WILL BE DEPENDANT ON THE PERFORMANCE OF THE AFOREMENTIONED ASSETS. YOU SHOULD FAMILIARISE YOURSELF WITH ALL OF THE TERMS OF THIS INFORMATION MEMORANDUM AND IN PARTICULAR WITH ALL OF THE RISK FACTORS SET OUT HEREIN. YOU SHOULD ONLY INVEST IN THE LOAN NOTES IF YOU ARE ABLE TO ASSUME THOSE RISK FACTORS.

You should consult with your own legal, regulatory, tax, business, investment, financial and accounting professional advisors to the extent that you deem it necessary, and make your own investment decisions including decisions regarding the suitability of this investment based upon your own judgement and upon advice from such professional advisors as you deem necessary and not upon any view expressed by any party or any other agent or service provider mentioned in this Information Memorandum.

An investment in the Loan Notes should only be made if you are capable of evaluating the merits and risks of such an investment and if you have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) that may result from such an investment. An investment in the Loan Notes should be seen as complementary to existing investments in a wide spread of other investments and should not form a major part of an investment portfolio.

**Investment Should Be Seen as Short Term:** Prospective subscribers must be prepared to take a short term view of their investment (i.e. 1 year from investment). There can be no guarantee that the Underlying Entities will be a success. In the event that the Security charged to the Security Trustee is insufficient to cover the total amount due under the Loan Notes, subscribers may not get back the full amount initially invested.

There can be no guarantee that any appreciation in the value of the Loan Notes will occur or that the Issuer's underlying businesses will be a success. In the event that the Guarantee and the Security charged to the Security Trustee is insufficient to cover the total amount due under the Loan Notes, investors may not get back the full amount initially invested.

**Impact of General Economic Conditions and Trends:** Any alteration in general economic conditions and trends including, for example, changes to interest rates, rates of inflation, industry conditions, political and diplomatic events, tax laws, regulation and other factors can substantially and adversely affect investments and the Issuer's prospects.

**Suitability of Investment:** An investment in the Loan Notes may not be suitable for all recipients of this Information Memorandum and Loan Note Instrument. Prospective subscribers should seek advice from a licensed and regulated independent financial adviser before investing in the Loan Notes. An investment in the Loan Notes is only suitable for subscribers capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment, including a loss of up to 100% of the capital invested which could occur in a situation where the Security charged to the Security Trustee depreciates in value to the extent that it is insufficient to repay Loan Noteholders.

## **(a) FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THE LOAN NOTES**

**Management Team Risk:** The Issuer's future performance and success is substantially dependent on the continued services and continuing contributions of the Directors and the Underlying Entities' performance. The Directors of the Issuer may fail to address all the risks faced by the Issuer and its Underlying Entities. This could impact on the Issuer's liquidity and its ability to repay the Loan Notes together with the Interest.

**Human Resources Risk:** The Issuer's future success will indirectly depend on its ability to attract and retain additional suitably qualified and experienced employees for its Underlying Entities. There can be no guarantee that the Issuer for and behalf its Underlying Entities or the parties with which it contracts will be able to attract and retain such employees, and failure to do so could have a Material Adverse Effect on the financial condition, results or operations of the Issuer.

**Legal and Regulatory Risks:** The Issuer is required to comply with applicable laws and regulations in carrying out its operations. Changes in laws and regulations may adversely affect the Issuer, and it may incur unanticipated costs related to compliance.

**Unquantifiable Risk:** The exact nature of the risks that the Issuer faces and the manner and the extent to which they ultimately will impact the Issuer or its Underlying Entities is difficult to predict and to guard against in the light of (i) the interrelated nature of the risks involved; (ii) the difficulties in predicting whether recoveries will be sustained and at what rate; and (iii) the fact that the risks are totally or partially outside the control of the Issuer. Therefore, no assurance can be given that the Issuer will not be adversely affected by any external economic factors.

**Financial Risk:** The Issuer's success depends on its ability to manage and control its financial risks, which include liquidity, market, funding, cyber, macroeconomic and political and competition and business model risks.



## (b) RISKS RELATED TO MINING

**Mining Risk:** The Issuer's Underlying Entities are exposed to a number of exploration risks, mining risks and geographical risks. The Issuer owns, through the Underlying Entities, the mining concessions of three separate sites in Guinea that are expected to yield gold. Whilst the Underlying Entities have carried due diligence on the sites,<sup>6</sup> there is a risk that the three sites will not have as much gold as initially predicted. Such an event will impact the Issuer's ability to comply the terms of the Loan Note Instrument. Exploration and, of course, mining, are by their very nature, dangerous and there may be events or incidents (to include but not limited to landslides, collapsing of mine, injury to miners, claims made by the employees, unsuccessful exploration) which, should they arise, impact on the Underlying Entities' ability to make a profit and therefore directly affect their performance which will ultimately impact the Issuer's ability to comply with the terms of the Information Memorandum and the Loan Note Instrument. The Issuer may need to issue additional Loan Notes to support the Underlying Entities' expansion or otherwise. Additional Loan Note offers will increase the Issuer's obligations to new Loan Noteholders and therefore potentially impact on the Issuer's ability to meet its obligations under the terms of this Information Memorandum and Loan Note Instrument.

The risks of development, exploration and expansion of the sites include but are not limited to delays in the timely completion of projects; cost overruns; poor quality workmanship and or/design; limited resources within the sites, insolvency of mining contractors and professional teams any of which could have a material effect on the financial condition and results of the Underlying Entities and therefore by that nature the Issuer. In addition, there are a number of uncertainties and general investment risks associated with any mining, including the following:

- the Issuer may not be able to obtain any additional financing it may need on favourable terms or at all;
- claims made by third parties (employees, employees estate, government bodies, etc) against the Underlying Entities;
- the mines may fail to perform as expected;
- the actual costs of developing and/or expanding the mines (as required) may be higher than estimates due to factors beyond the Issuer's or its Underlying Entities' control; and
- the mining concessions may be removed by the Guinean mining authorities which may preclude the Underlying Entities from operating.

The Issuer's failure to manage these risks may adversely affect its business, financial condition, results of operations and prospects.

**Geological and Resource Risk:** The quality, quantity, and accessibility of mineral reserves are critical to a mining operation's success. Geological uncertainty can lead to challenges such as lower-grade ore, unexpected orebody complexity, or the need for additional exploration, which can increase costs and delay production. This would affect the effect on the Underlying Entities' revenue and operation and therefore the Issuer's ability to comply with the terms of the Loan Note Instrument.

**Operational Risks:** Mining operations involve complex processes that are susceptible to technical issues and equipment breakdowns. Labour disputes, strikes, and workforce safety concerns can disrupt operations and impact production which would affect the effect on the Underlying Entities' revenue and operation and therefore the Issuer's ability to comply with the terms of the Loan Note Instrument.

**Commodity Price Volatility:** prices for metals and minerals can fluctuate widely due to a wide variety of factors including but not limited to macro-economic conditions, geopolitical events, and supply/demand dynamics. These price fluctuations can have a direct effect on the Underlying Entities' revenue and operation and therefore the Issuer's ability to comply with the terms of the Loan Note Instrument.

**Environmental and Regulatory Risks:** Environmental regulations govern mining activities, and non-compliance can result in fines, legal issues, and operational delays. Changes in regulatory policies, particularly in response to environmental concerns, can impact the feasibility and profitability of mining projects. Such environmental and regulatory changes may have a direct effect on the Underlying Entities' revenue and operation and therefore the Issuer's ability to comply with the terms of the Loan Note Instrument.

**Planning Risk:** The Underlying Entities may require additional licences from the relevant authorities in Guinea, which may impact on the Underlying Entities' ability to operate the current businesses, which may affect the Issuer's ability to comply with the terms of the Loan Note Instrument.

**Infrastructure and Logistical Challenges:** Adequate infrastructure, including transportation, energy, and water resources, is essential for mining operations. Lack of infrastructure in remote areas can lead to increased costs and logistical challenges for the Underlying Entities.

**Political Risk:** Mining often takes place in politically unstable regions where changes in government policies or social unrest can affect operations. Guinea is relatively stable from a political point of view. However, there is a risk that this may change

and, given the Underlying Entities are all located in Guinea, this could significantly affect the Issuer. Should the governing party change within Guinea, this may lead to changes in legislation, changes to environmental rules on damage to local habitat, communities and wildlife, licensing fees, extraction rules, additional taxes, revocation of mining titles etc. Such an event(s) or incident would significantly impact the Issuer and its Underlying Entities. Disputes with local communities over land rights, environmental impacts or benefit-sharing can lead to protests and operational disruptions. The mining concessions that the Underlying Entities own may be rescinded in the event of political changes.

**Market Risks:** Demand for minerals and metals can be cyclical, influenced by economic conditions and technological advancements. A downturn in the market can result in reduced prices and profitability for the Issuer and the Underlying Entities.

**Financing and Capital Risks:** Mining projects require substantial upfront capital for exploration, development and production. Difficulty in securing financing, costs overruns and delays in cash flow generation can strain the financial health of the Underlying Entities.

**Currency Risk:** The Underlying Entities operate in Guinea and therefore are subject to several currency exchange risks which may affect their cash flows. This may impact on the Issuer's ability to comply with the terms of the Loan Note Instrument.

**Technological Risks:** Rapid advancements in mining technology can make existing operations less competitive or even obsolete. Investing in outdated or soon to be outdated equipment may affect the productivity and profitability of the Underlying Issuer.

**Market Competition:** Competition in the mining industry can be intense. Due to this increased competition, pricing and market access are vital to the success of the Underlying Entities. Should this affect the Underlying Entities, it will ultimately impact on the Issuer and may affect its ability to comply with the terms of the Loan Note Instrument.

**Risk of VAT Being Introduced:** The Issuer has received no indication that Gibraltar joining the Schengen Area would be likely to result in the territory being required to introduce VAT or similar sales tax. The Issuer sees negligible commercial risks to the projects, even if existing import duties were re-branded to create a VAT-like impost.

**Uninsured Loss:** The Issuer could suffer damage and losses that are not insured or are under-insured, There are types of losses, generally of a catastrophic nature such as losses due to war, earthquakes or force majeure, which are often either uninsurable or not economically insurable. None of such risks are intended to be insured by the Issuer. If such a catastrophic, uninsured event were to occur in the mines, the Issuer's liquidity could be affected and as such so would its ability to repay the Loan Notes and Interest.

## **(c) RISKS RELATING TO THE BUSINESS MODEL OF THE ISSUER**

The Issuer's ability to pay the Interest and repay the principal of the Loan Note Amount at the Repayment Date is reliant on the success of the Issuer's business and the businesses of the Underlying Entities.

**Limited Recourse:** The Loan Notes are limited recourse unsecured debt obligations of the Issuer. In the event of the Issuer defaulting on the Loan Note, the Security Trustee may seek to enforce the Security accordingly.

**Concentration Risk:** The Issuer's sole purpose is to support the Underlying Entities. As such, the Issuer's performance and its ability to repay the Loan Note's is wholly dependent and concentrated on the performance of the Underlying Entities and their mining operations.

**Business Risks:** The Issuer's success in executing its business strategies will be determined by, among other factors:

- the general condition of the global, regional and local economies;
- the success of the mines owned by the Underlying Entities;
- ability to improve our operating, financial and internal control systems;
- the Issuer's ability to compete successfully against existing and future competitors.

These factors may adversely affect our business, financial condition and results of operations.

**Lack of Operating History:** The Issuer has not issued any Loan Notes previously. The Underlying Entities have owned the mining concessions for 3 years and the Issuer, through various shareholder loans, has funded the operations to date. The Issuer is now seeking to expand through the issuance of this Loan Note and any separate series of Loan Notes issued by the Issuer. The Issuer reserves the right to IPO.

**Exit Strategy:** The Issuer's ability to repay the Loan Notes and Interest is solely dependent on the success of the Underlying Entities and the amount of gold that they are able to extract in a timely fashion. In the event of the Issuer facing any difficulty in respect of any of the aforementioned, it could impact the Issuer's liquidity and its ability to repay the Loan Notes and Interest.

## (d) RISKS RELATING TO THE GIBRALTAR ECONOMY

**Issuer's Dependence on the Gibraltar Market and Economy:** The Issuer's results may be adversely affected by general economic conditions and other business conditions.

## (e) OTHER RISKS

**Financial Risk:** Control of financial risk is one of the most important risk factors. Financial risk includes credit, liquidity, operational and market risk. Failure to control these risks can result in Material Adverse Effect on the Issuer's financial performance and reputation.

**Insurance Risk:** The Issuer's insurance policies may not adequately compensate for all types of losses that it may incur, or provide compensation in a timely manner. Any uninsured loss may adversely affect business, results of operations and financial position.

**Market Risk:** The Issuer's market risk exposures mainly relate to interest rate risk (including basis and optional risks). The Issuer continues to evaluate and monitor the impact of macroeconomic and market competition risk, on its interest rate risk strategies and positions, which may have an adverse impact on the Issuer's financial performance and business operations.

**Environmental Risks:** The Issuer's Underlying Entities may incur environmental liabilities. The Issuer may be liable for the costs of removal, investigation or remediation of hazardous or toxic substances located within the mines. The costs of any required removal, investigation or remediation of such substances may be substantial. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the Issuer's ability to comply with the terms of the Loan Note Instrument. Laws and regulations, as these may be amended over time, may also impose liability for the release of certain materials into the air or water from a mine and such release can form the basis for liability to third persons for personal injury or other damages. Other laws and regulations can limit the development of, and impose liability for, the disturbance of the surrounding lands or the habitats of threatened or endangered species.

**Funding, Liquidity & Debt Financing Risk:** The following describes generic risks associated with the Issuer. Liquidity risk is the risk that the Issuer is unable to meet its current and future financial obligations as they fall due. The Issuer is exposed to liquidity risk where it cannot maintain surplus liquid resources to cover cash flow imbalances and fluctuations in funding. Funding risk is the inability to access funding markets or to do so only at excessive cost. If the Issuer fails to manage and control these risks, the Issuer could become unable to meet its obligations, including those under the Loan Note Instrument.

The mining operations are a large project with significant costs associated with their operation. As the projects progress, the Issuer does plan to raise additional funding via debt. However, in the event of unfavourable market conditions, the Issuer retains the option to seek equity financing. The Issuer expects further debt issuance to have separate collateral packages and not to create any negative pledge consequences with the current issue.

Whilst it is not anticipated that Issuer will borrow further to finance acquisition and development costs, the Issuer may do so. Should the Issuer require further additional funds, these may not be available when needed, or may not be forthcoming on terms that are advantageous to the Issuer and consequently the Loan Noteholders. Accordingly, the Issuer's capital repayment commitments may exceed the capital value of the Issuer's assets and this would negatively impact the Loan Noteholders.

**Macroeconomic and Political Risk:** The Issuer considers macroeconomic and political risks on a regular basis, under both central and stressed conditions. Crystallisation of the various macroeconomic risks highlighted above could impact the wider economy and the Issuer and cause the Issuer to be unable to perform its obligations including in relation to the Loan Note Instrument.

**Operational Risk:** Failure by the Issuer to control its operational risks may result in Material Adverse Effects to its business, financial condition and/or reputation. Operational risk and losses can result from financial (including cyber) crime, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, IT systems failures, natural disasters or the failure of external systems, for example, those of the Issuer's suppliers or counterparties. Failure to manage risk effectively could adversely impact the business and financial profile and its ability to fulfil its obligation under the terms of the Loan Note Instrument.

Operational risk and losses can result from competition, external and internal failures or inadequacies, failure to comply with regulatory requirements and conduct of business rules, natural disasters or the failure of external systems, for example, those of the Issuer's contractual counterparties.

**Risk of Instability Arising from Acts of Terrorism, War, Pandemics and Global Hostility:** Terrorist acts, other acts of war or hostility and geopolitical, pandemic or other such events may result in economic and political uncertainties which could have a material adverse effect on Guinea, Gibraltar and international economic conditions and more specifically on the Issuer's results of operations, financial condition or prospects.

**Operational Resilience Risk:** Refers to the risk that the Issuer may be unable to carry out its daily operation due to a failure of its systems or by a third-party supplier. Any disruption caused by such an event which resulted in the Issuer being unable to carry out its operations could have an adverse effect on the Issuer including in relation to its ability to fulfil its obligation under the terms of the Loan Notes Instrument.

**Reputational Risk:** Reputational risk could cause harm to the Issuer and its business prospects. Failure to address, or appearing to fail to address, various issues that could give rise to reputational risk could cause harm to the Issuer and the Issuer's business prospects. Reputational issues include, but are not limited to: appropriately addressing potential conflicts of interest; cyber security, legal and regulatory requirements; ethical issues; adequacy of anti-money laundering processes; privacy issues; customer service issues; recordkeeping; sales and trading practices; proper identification of the legal, reputational, credit, liquidity and market risks inherent in products offered; and general company performance. A failure to address these issues appropriately could lead to third parties being unwilling to do business with the Issuer, which could adversely affect the Issuer's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligation under the terms of the Loan Notes Instrument. The Issuer cannot ensure that it will be successful in avoiding damage to its business from reputational risk.

**Legal & Regulatory Risk:** Adverse litigation judgments or settlements resulting from legal proceedings in which the Issuer may be involved in the normal course of business could reduce its cash flow, harm its financial position and limit its ability to operate our business. The Issuer may settle litigation or regulatory proceedings prior to a final judgment or determination of liability in order to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when the Issuer believes that it has no liability. The Issuer may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Failure to manage these risks adequately could impact the Issuer adversely and materially, both financially and reputationally. The financial impact of regulatory risks might be considerable but are difficult to quantify. Amounts eventually paid may exceed the amount of any provisions set aside (if any) to cover such risks. Any regulatory framework that applies to the Issuer could be amended so as to create an increased burden on the Issuer. As a result, the Issuer may incur costs in complying with these regulations or obligations relating to its business. The imposition of such sanctions, fines or other action on the Issuer or the incurrence of such costs by the Issuer may affect the Issuer's ability to fulfil its obligation under the terms of the Loan Notes Instrument. Future changes in regulation, fiscal or other policies are unpredictable and beyond the Issuer's control and could materially adversely affect its business or operations.

The business of the Issuer is not subject to a regulatory regime and as such its business activities will not be monitored or supervised by a regulatory or supervisory authority. Similarly, the Issuer is not required to hold a minimum amount of regulatory capital as would be the case with banks or other financial institutions.

**Anti-Money Laundering/Combating the Financing of Terrorism and Proliferation Financing Risk:** The Issuer is issuing a Loan Note created by the Loan Note Instrument and may be subject to anti-money laundering legislation. If the Issuer were to be in breach of any such legislation, it could become subject to criminal proceedings. This could impact on the Issuer's liquidity and its ability to make payments in respect of the Loan Notes.

There is also the risk that the Loan Notes could be used to launder the proceeds of crime, as a mechanism to finance terrorism and/or to finance the proliferation of weapons of mass destruction. Whilst the Issuer perceives the risk of this to be relatively low, if the risk were to crystallise as a result, for example, of a failure in the Issuer's systems and processes used to detect this, it is likely it would have a material impact on the Issuer's reputation, it could subject to the Issuer to criminal proceedings and/or it could impact on the Issuer's liquidity and its ability to make payments in respect of the Loan Notes.

**EU General Data Protection Legislation (GDPR) Risk:** GDPR took direct effect in all EU Member States from 25 May 2018 and replaced the previous EU data privacy laws. Although a number of basic existing principles remain the same, the GDPR introduces new obligations on data controllers and rights for data subjects. The GDPR also introduces new fines and penalties for a breach of requirements, including fines for serious breaches of up to the higher of 4% of annual worldwide turnover or €20 million and fines of up to the higher of 2% of annual worldwide turnover or €10 million for other specified infringements. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement). There is a risk that the measures may not have been implemented correctly or that individuals within the Issuer will not be fully compliant with the procedures. If there are breaches of these measures, the Issuer could face significant administrative and monetary sanctions as well as reputational damage, which may have a Material Adverse Effect on the Issuer's operations, financial condition and prospects.

**Accounting Risk:** Changes in accounting standards could materially affect its capital ratios, how it reports its financial condition and results of operations. From time to time, the International Accounting Standards Board (the IASB) and/or the European Union change the international financial reporting standards issued by the IASB, as adopted by the European Commission for use in the European Union (IFRS) that govern the preparation of the Issuer's financial statements. These changes can be difficult to predict and could materially impact how the Issuer records and reports its financial condition and results of operations. In some cases, the Issuer could be required to apply a new or revised standard retroactively, resulting in

restating prior period financial statements.

## (f) RISKS RELATING TO THE LOAN NOTES

Loan Notes may have features which contain particular risks for prospective subscribers. Set out below is a description of the some of the risks:

**Security:** The Loan Notes are unsecured liabilities of the Issuer and rank *pari passu* without any preference among themselves and with all other unsecured obligations of the Issuer from time to time outstanding. The Loan Noteholders will rank *pari passu* without any preference amongst themselves and as unsecured creditors of the Issuer. If the Issuer has granted security to other lenders, those lenders will rank in priority to the Loan Noteholders. This means that the Loan Noteholders shall not directly have recourse to the assets of the Issuer but instead shall rely on the Security Trustee to enforce Security. The Issuer may issue additional series of Loan Notes which may also be secured against the Security held by the Security Trustee. Therefore, the issuance of new loan notes may mean that the Security is insufficient to cover Issuer liabilities in respect of the Loan Noteholders or the new Loan Noteholders.

In the event of the insolvency of the Issuer and the Security is insufficient to discharge the amounts due and owing under the Transaction Documents, the shortfall will be shared on a pro rata basis amongst all of the Loan Noteholders and all other unsecured creditors of the Issuer from time to time. The Loan Noteholders will then be reliant on the Security to cover any such shortfall.

**Exchange Rate Risks and Exchange Controls:** if a Loan Noteholder's home currency is not the Specified Currency, then you will be exposed to movement in exchange rates adversely affecting the value of their holding. The Issuer will pay Outstanding Amount and Interest in the Specified Currency being Euro. This presents certain risks relating to currency conversions if a subscriber's financial activities are denominated principally in a currency or currency unit other than Euro.

Interest will be paid on the Loan Notes at a fixed rate of 16% per annum. Accordingly, if central banks' interest rates continue to rise, then the income payable on the Loan Notes might become less attractive and the price that may be realised on an issuance of the Loan Notes may fall. Inflation will reduce the real value of the Loan Notes over time.

**Repayment Before 12 month Term:** The Issuer has the right to repay any Loan Notes at the Repayment Date or at an earlier date as provided for in the Loan Note Instrument. This may limit a subscriber's ability to be able to reinvest the repayment proceeds in a manner which achieves a similar effective return.

**Changes to Benchmarks or Rates:** Various interest rate benchmarks (including LIBOR and EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including the EU Benchmark Regulation (Regulation (EU) 2016/1011) (the Benchmark Regulation) whilst others are still to be implemented.

Under the Benchmarks Regulation, which applies from 1 January 2018 in general, certain requirements apply with respect to the provision of a wide range of benchmarks (including LIBOR and EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union (EU). In particular, the Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Changes in interest rates could adversely affect the results of the Issuer's operations by increasing finance costs. Any increase in interest rates would increase debt service costs and could adversely affect the Issuer's cash flow. Changes in interest rates could therefore have an adverse effect on the Issuer's business, results of operations, financial condition and/or prospects. In addition, if interest rates on any future borrowing entered into are higher than the rates applicable to existing debt, then the Issuer's profitability may be affected.

**Issuer Liable to Make Payments When Due on the Loan Notes:** The Issuer is liable to make payments when due as provided for in the Loan Note Instrument. The obligations of the Issuer under the Loan Note Instrument are unsecured obligations, ranking *pari passu* without any preference amongst themselves and other unsecured obligations (save for any obligations to be preferred by law) of the Issuer.

**Ranking of the Loan Notes:** All Loan Notes issued pursuant to the Loan Note Instrument from time to time under the Programme will rank *pari passu* with each other in all respects.

**Loan Noteholder Meetings:** The Loan Noteholders shall not have the right to call Loan Noteholder meetings.

**Modifications to the Loan Note:** The Issuer may without the consent of Loan Noteholders agree to any modification of the Loan Note which is (in the sole opinion of the Issuer) of a formal, minor or technical nature or which is made to correct a manifest error.

## (g) MACROECONOMIC AND MARKET RISKS

**No Secondary Market:** The Loan Notes are not transferable or assignable. Therefore, there is no secondary market.

**Political Uncertainty:** Post-Brexit: The Kingdom of Spain has not renounced its sovereignty claim over Gibraltar and future UK and Gibraltar political developments including but not limited to the UK's – and by extension, Gibraltar's – ongoing negotiations with the European Union over additional arrangements and/or any changes in government structure and policies, could affect the fiscal, monetary and regulatory landscape to which the Issuer is subject and also therefore its financing availability and terms. Consequently, no assurance can be given that the Issuer's operating results, financial condition and prospects would not be adversely impacted as a result.

No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Loan Note Instrument.

**General Volatility in Wholesale Funding Markets:** Since the second half of 2007, disruption in the global markets, coupled with the re-pricing of credit risk and the deterioration of the housing markets in the United States and elsewhere, have created difficult conditions in the financial markets. These conditions have resulted in historic volatility, less liquidity or no liquidity, widening of credit spreads and a lack of price transparency in certain markets, both primary and secondary, including with respect to the mortgage-backed securities and Loan Note Instrument markets. These adverse market conditions have resulted in the failures of a number of financial institutions in the United States and Europe and unprecedented action by governmental authorities, regulators and central banks around the world including as a result of the United Kingdom's vote to leave the European Union (please see risk factor "Political Uncertainty"). While such market conditions have shown signs of improvement in certain sectors of the global credit markets, it is difficult to predict whether, or to what extent, such market improvement will continue and/or how long the adverse market conditions will continue to exist. Additionally, there can be no assurance that the market for Loan Note Instruments will continue to recover, or to the same degree, as other recovering global credit market sectors. In the context of the COVID-19 pandemic, it is possible that general market conditions could continue to worsen.

If wholesale funding markets do not continue to improve, or deteriorate further, it may have an adverse effect on the ability of the Issuer to fulfil its ongoing obligations under the Loan Note Instrument.

**Instability Created by the Ongoing War in Ukraine:** As the world has emerged from the lockdowns of the COVID-19 pandemic, the manufacturing and transportation of goods appears to have not kept speed with demand. This has contributed to higher-than-expected inflation, which has been further compounded by the war in Ukraine. The war in Ukraine has also created instability on the European continent that has not been seen since the end of the Second World War. In response to the increasing levels of inflation, many central banks and monetary authorities have commenced the process of increasing base rates in an attempt to battle the increasing levels of inflation. As of today's date, it is difficult, if not impossible, to predict at which point base rates will begin to settle. Similarly, it is not possible to predict whether the war in Ukraine may spill over into neighbouring countries and result in a much broader and international conflict.

Gibraltar continues to play an important strategic role in the military efforts of the United Kingdom and NATO. If the war in Ukraine were to continue or should it overspill into neighbouring countries or become a broader international conflict, it is possible that Gibraltar would play a significant role in any counter measures. At the very least, it is likely that Gibraltar could be used by the United Kingdom and NATO forces as a staging base into such a conflict. It is unclear what impact, if any, this could have on the Issuer and its business activities in Gibraltar.

## (h) LEGAL AND REGULATORY RISKS

**Changes of Law:** The Loan Note Instrument is based on Gibraltar law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible change to Gibraltar law (including any change in regulation which may occur without a change in primary legislation) or administrative practice or tax treatment in Gibraltar after the date of this Information Memorandum, nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Loan Note Instrument. Any such change(s) impact on the Issuer.

**Issuer History:** The Issuer was incorporated in October 2010 and as a result has potentially incurred liabilities and creditors. Should these liabilities and/or creditors come to light, they may impact on the Issuer.

**Potential Effects of Any Additional Regulatory Changes:** In Gibraltar and elsewhere, there is continuing political and regulatory scrutiny of the financial services industry. No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the financial services market in the United Kingdom generally. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a Material Adverse Effect on the Issuer and its businesses and operations. This may adversely affect the Issuer's ability to make payments in full when due in accordance with the terms Loan Note Instrument.

**Legal Proceedings May Arise from Time to Time in the Course of the Issuer's Businesses:** The Directors cannot preclude

that litigation may be brought against the Issuer and that such litigation could have a Material Adverse Effect on the financial condition, results or operations of the Issuer.

**The Issuer May Be Subject to Tax under the Tax Rules of the Jurisdictions in Which It Invests:** Although the Issuer will endeavour to minimise any such taxes, this may affect the performance of the business, which may affect the Issuer's ability to provide returns to Loan Noteholders.

### **(i) TAXATION RISKS**

**Tax Changes:** Any changes to the basis of taxation, tax relief, rates of tax or a subscriber's tax position may affect the availability of tax reliefs and deferrals and may also affect the return made by the Issuer or by the subscribers from the Issuer as the case may be.

**Withholding Taxes:** The Issuer will aim to minimise taxation on its income and gains to the extent that the Directors consider reasonable.

This does not mean that each Loan Noteholder will be exempt from tax in Gibraltar or any other relevant jurisdiction and each Loan Noteholder should therefore consult his/her own Professional Advisor as to his/her own personal taxation position. There can be no assurance that, in the future, the Issuer will not be liable to taxation in Gibraltar. Should the income of the Issuer be deemed to accrue in, or derive from, Gibraltar, and such income be assessable income in accordance with Tables A to C inclusive of Schedule 1 of the Income Tax Act of Gibraltar, the income of the Issuer will be taxable in Gibraltar under the Income Tax Act of Gibraltar. In particular, there can be no guarantee that the Government of Gibraltar may not in the future be required to change the tax system in Gibraltar to the detriment of companies such as the Issuer. No warranty is given or implied regarding the applicability or interpretation of the tax laws in any jurisdiction.

#### **The Proposed Financial Transactions Tax (FTT)**

The FTT may give rise to tax liabilities for the Issuer with respect to certain financial transactions (including concluding swap transactions and/or purchases or sales of securities (such as any securities comprised in charged assets)) if it is adopted based on the Commission's proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Loan Note Instrument (as applicable) and may result in subscribers receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable in priority to the claims of Loan Noteholders. It should also be noted that the FTT could be payable in relation to relevant financial transactions by subscribers in respect of the Loan Note Instrument if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is, however, some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between participating member states. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate.

Prospective holders of the Loan Notes are advised to seek their own professional advice in relation to the FTT.

**THE FOREGOING FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS AND SIGNIFICANT CONSIDERATIONS INVOLVED IN INVESTING IN AGREEING TO THE TERMS OF THE LOAN NOTE INSTRUMENT. ACCORDINGLY, AND AS NOTED ABOVE, ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE ISSUER MAY ALSO HAVE AN ADVERSE EFFECT ON THE ISSUER'S BUSINESS AND PROSPECTS AND CONSEQUENTLY ON THE LOAN NOTES. NEVERTHELESS, THE ISSUER HAS DISCLOSED ALL THE PRINCIPAL RISKS AS REQUIRED BY THE RELEVANT REGULATIONS AT THE TIME OF ISSUE.**

## **3. Form of the Loan Notes**

The Loan Notes have been created by the Loan Note Instrument and will be issued in registered form in denominations of €1,000.00, subject to the Minimum Investment being attained, being €100,000.00.

The Loan Note Instrument and/or Loan Notes have not been registered under the Securities Act and the Issuer is not registered for the purposes of the law of the United States of America. Consequently, the Loan Note Instrument and/or Loan Notes may not be and will not be offered to or held for the account of U.S. persons or any person in the United States of America (both as defined under regulations of the Securities Act).

Persons holding beneficial interests in Loan Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Loan Notes in fully registered form.

Payments of Outstanding Amount will be made to the person shown on the Register as the registered holder of the Loan Notes to their designated account. The Issuer will not have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Loan Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

No Transfer of Interests

Loan Notes are not transferable or assignable.

## 4. Terms – Series C

6th October 2023

79th Resources Limited

Issue of Loan Notes

### PART A: CONTRACTUAL TERMS

The Information Memorandum and Loan Note Instrument should be read in conjunction when considering a subscription of a Loan Note.

1.	<b>Issuer:</b>	79th Resources Ltd
2.	<b>Specified Currency:</b>	Euro
3.	<b>Aggregate nominal amount of the Loan Notes:</b>	€46,000,000.00 (forty six million euros) subject to an increase up to a maximum of €92,000,000.00 (ninety two million euros) always providing the increase is authorised by the Directors during the 12 months from the first Loan Note being issued.
3. (i)	<b>Series:</b>	A
4.	<b>Issue Price:</b>	€1,000.00
5.	<b>Minimum Investment:</b>	€100,000.00
6. (i)	<b>Issue Date:</b>	6th October 2023
6. (ii)	<b>Interest Commencement Date:</b>	As from the Issue Date
7.	<b>Repayment Date:</b>	1 year after the Issue Date or as provided for in the Loan Note Instrument.
8.	<b>Repayment/Payment Basis:</b>	100 per cent of Loan Note Amount.
	<b>Repayment Amount Before 12 Month Term:</b>	100 per cent of Loan Note Amount plus Interest due up until the date of repayment.
	<b>Repayment Amount:</b>	100 per cent of Loan Note Amount.
9.	<b>Change of Interest Basis or Payment Basis:</b>	N/A
10.	<b>Call/Put Options:</b>	N/A
11.	<b>Date Board Approval for Issuance of the Loan Note Instrument Was Obtained:</b>	6th October 2023
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>		
12. (i)	<b>Interest Rate:</b>	16% per annum. Interest shall be calculated on the basis of the actual number of days from the Issue Date and on the basis of a 365-day year.



12. (ii)	<b>Interest Payment Date(s):</b>	means the last Business Day of March, June, September and December in each year and shall only be payable within 10 business days of the last Interest Payment Date.
12. (iii)	<b>Business Day(s)</b>	means a day other than a Saturday or Sunday or a day which is a public holiday, on which banks are open for general banking business in Gibraltar.

## PART B: OTHER INFORMATION

1.	<b>Listing</b>	The Issuer may IPO. Such a decision shall be at the Directors' sole and absolute discretion and <b>shall not require Loan Noteholder consent.</b>
2.	<b>Interest of Natural and Legal Persons Involved in the Issue/Offer</b>	The promotion and distribution of the Loan Note Instrument and the Loan Note will be carried out by the Issuer and other third parties engaged by the Issuer.
3.	<b>Reasons for the Offer, Estimated Net Proceeds and Total Expenses</b>	
(i)	<b>Reasons for the Offer:</b>	The Issuer wishes to increase its available capital by issuing this Loan Note Instrument for the purposes of deploying the capital raised to its Underlying Entities.
(ii)	<b>Estimated Net Proceeds:</b>	€46,000,000.00

Signed on behalf of the Issuer:

By:

Duly authorised

## 5. Terms and Conditions of the Loan Notes

The following terms and conditions are deemed to have been incorporated into the Loan Note Instrument and, accordingly, each Loan Note. The Loan Note should be read in conjunction with this Information Memorandum and the Loan Note Instrument.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in this Information Memorandum shall bear the meanings given to them in the Loan Note Instrument.

### 1. Form, Denomination and Title

The Loan Notes are in registered form as specified in the terms and in the Specified Currency and the Specified Denomination(s).

### 2. Loan Notes Issue

The issue of Loan Notes pursuant to the terms of the Loan Note Instrument shall be at the sole and absolute determination of the Directors, subject to the Minimum Investment of €100,000.00 being made.

The Issuer is not required to recognise any person as holding any Loan Note upon any trust and the Issuer shall not be bound by or recognise (even when having notice thereof) any equitable contingent future or partial interest in any Loan Note or (except only as required by law) any other right in respect of any Loan Note except an absolute right thereto in the registered holder.

The Issuer shall only receive cash as payment for the issue of any Loan Notes pursuant to the terms of the Loan Note Instrument.

### 3. Loan Note Register

The Issuer shall keep, or cause to be kept by the Registrar, a register of the Loan Notes issued pursuant to the terms of the Loan Note Instrument at its registered office or at such other place as the Company shall from time-to-time designate showing:

- the names, addresses and email addresses of the Noteholders for the time being;
- the number of, and principal amount, of the Notes held by each Noteholder;
- the date at which the name of each Noteholder is entered in respect of the Notes registered in its name; and
- the serial number and date of issue of each Note.

The Loan Noteholders (or any of them) and any person authorised in writing by any of them may, at all reasonable times during office hours, inspect the register and take copies of it or extracts from it. The Company may, however, close the register for such periods and at such times as the Company thinks fit, provided that the register is not closed for more than 30 Business Days in any one year.

#### **4. Transfers of Loan Notes**

In accordance with the Loan Note Instrument, the Loan Notes are not transferable or assignable.

#### **5. Status of the Loan Notes**

The Loan Notes constitute unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and any other unsecured obligations of the Issuer. The Security created under the Share Charge has been charged to the Security Trustee for the exclusive benefit of Loan Noteholders.

#### **6. Interest**

Each Loan Noteholder shall only receive Interest payment on the Loan Note Amount from their respective Issue Date at each Interest Payment Date up until the Repayment Date. Interest shall be calculated on the basis of the actual number of days from the Issue Date and on the basis of a 365-day year. Should an Issue Date fall between an Interest Payment Date, the amount of Interest paid shall be calculated on a pro-rata basis.

If the Repayment Amount is repaid prior to the 12 month term, Interest shall accrue up until the relevant Repayment Date. Interest will cease to accrue on each Loan Note on the Repayment Date.

#### **7. Payments**

##### **(i) Payments in Respect of Loan Notes**

Interest payments will be made by electronic transfer to the designated bank account of the Loan Noteholder (or the first named of joint holders) appearing in the Register at each Interest Payment Date.

Payments of the Outstanding Amount in respect of each Loan Note will be made against the presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Loan Note at the specified office of the Registrar. Such payments will be made in the same manner as detailed above.

Loan Noteholders will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Loan Note as a result of non-receipt of funds by the Issuer. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Loan Notes.

The Issuer will not make any payments relating to, or payments made on account of, beneficial ownership interests in the Loan Notes nor shall the Issuer maintain, supervise or review any records relating to such beneficial ownership interests.

##### **(ii) General Provisions Applicable to Payments**

Loan Noteholders shall be the only person entitled to receive payments under the terms of the Loan Note Instrument and the Issuer will be discharged by payment to, or to the order of, the holder of such Loan Note in respect of each amount so paid. No person other than a Loan Noteholder and the Security Trustee shall have any claim against the Issuer in respect of any payments due on the Loan Note.

If any Loan Noteholder refuses to accept the repayment money payable in respect of Loan Notes, such money shall be retained and held by the Issuer in trust for such Loan Noteholder but without any Interest accruing thereafter or further obligation.

##### **(iii) Interest Payment Date**

Interest will only be paid to Loan Noteholders on each Interest Payment Date. Interest Payment Dates are the last Business Day of March, June, September and December in each year. If the Interest Payment Date is not a Business Day (as defined

below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Business Day and shall not be entitled to any interest or other sum in respect of any such delay.

## 8. Repayment

### (i) Repayment

Unless previously repaid or cancelled as specified below, each Loan Noteholder will be repaid by their respective Repayment Amount at the Repayment Date by the Issuer in the Specified Currency.

The Issuer shall confirm to the Loan Noteholders, as soon as reasonably practicable and in any event at least 4 Business Days prior to the Repayment Date, the Repayment Amount.

### (ii) Repayment at the Option of the Issuer

The Company can repay the Loan Notes before their respective Repayment Date (being 12 months from the Issue Date). Interest shall payable up until the date of Repayment Date.

### (iii) Repayment at the Option of the Loan Noteholders

In accordance with the terms of the Loan Note Instrument, the Loan Noteholders cannot redeem the Repayment Amount before the Repayment Date.

### (iv) Conversion

A Conversion may only be exercised by a Loan Noteholder in accordance with the provisions of the Loan Note Instrument. For further details, please see the Loan Note Instrument.

### (v) Cancellation

All Loan Notes which are repaid will forthwith be cancelled.

## 9. Taxation

All payments in respect of the Loan Note Instrument, will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Gibraltar or by any authority therein or thereof having power to tax unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event of a withholding or deduction being made by the Issuer in respect of a payment made by it, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Loan Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Loan Notes or Interest, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Loan Note or Interest presented for payment:

- (a) in Gibraltar; or
- (b) by or on behalf of a holder who (i) is able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration of non-residence or other claim for exemption to the relevant taxing authority but fails to do so; or (ii) is liable for such taxes, duties, assessments or governmental charges in respect of such Loan Notes or Interest (as the case may be) by reason of his having some connection with Gibraltar other than merely by reason of the holding of such Loan Notes or Interest; or
- (c) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on the last day of such period of 30 days; or
- (d) where the holder is able to avoid such withholding or deduction by presenting an appropriate certificate.

As used herein:

**“Relevant Date”** means the date on which such payment in respect of the Loan Note or Interest first becomes due and payable, except that, if the full amount of the monies payable on such date has not been duly received by the Loan Noteholder on or prior to such date, it means the date on which such monies have been so received, notice to that effect having been given to the Loan Noteholders.

## 10. Prescription

The Loan Notes will become void unless presented for payment within 1 year of each respective Repayment Date.

As from each Loan Noteholder's respective Repayment Date, the Repayment Amount payable in respect of the Loan Notes

to a Loan Noteholder shall be retained and held by the Company on trust for such Loan Noteholder but without any Interest accruing beyond the Repayment Date.

#### **11. Default Event and Enforcement**

A Default Event shall be determined in accordance with the terms of the Loan Note Instrument.

In the event of a Default Event, the Security Trustee may, at any time and without further notice, take such proceedings, steps or action against the Issuer, and/or any other person as it may think fit to enforce the provisions of the Transaction Document.

Only the Security Trustee may pursue the remedies available under the Share Charge to enforce the Security and the rights of the Loan Noteholders. None of the Loan Noteholders or any person acting on behalf of them may, at any time, bring, institute or join with any person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings in relation to the Issuer, the Obligors or any of their assets.

#### **12. Replacement of Loan Notes and Interest**

Should any Loan Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Loan Notes must be surrendered before replacements will be issued.

#### **13. Registrar**

The name of the initial Registrar and its initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of the Registrar and/or appoint an additional or another Registrar and/or approve any change in the specified office through which the Registrar acts, provided that there will at all times be a Registrar.

#### **14. Notices**

All notices issued pursuant to the Loan Note Instrument will be deemed to be validly given if sent by email to the Loan Noteholder's email address as provided for in the application pack. Notices sent via email shall be deemed to be received the day after the email has been sent.

#### **15. Modification and Meetings of Loan Noteholders**

##### **(a) Modifications**

Loan Noteholders should note that the Issuer may without their consent modify any provision of any Loan Note which is of a formal, minor or technical nature or is made to correct a proven or manifest error or to comply with any mandatory provisions of law.

##### **(b) Meetings of Loan Noteholders**

The Issuer may at any time convene a meeting of Loan Noteholders should the Directors deem it to be appropriate and necessary. The Loan Noteholders shall have no right to call a meeting of the Loan Noteholders. The Loan Noteholders shall have no right to receive notice, attend, vote or speak at general meetings of the Issuer.

#### **16. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Loan Noteholders to create and issue further Loan Notes under a different Loan Note Instrument having materially different or similar terms and conditions. Such further issues may be secured against the same Security.

#### **17. Security**

Pursuant to the charge over shares relating to the Loan Notes, the Obligors have covenanted with the Security Trustee that they will on demand pay and discharge all amounts owing under the Transaction Documents when the same become due or whether by acceleration and/or otherwise, together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees, enforcement, expenses and other charges and all legal and other documented costs, charges and expenses, on a full, continuing and unqualified indemnity basis, which may be incurred by the Security Trustee in relation to any such Secured Liabilities and/or generally in respect of the shareholders. As Security for this covenant to pay, the Obligors have as legal and beneficial owners, jointly and severally charged, mortgaged, assigned and transferred the Underlying Security to the Security Trustee by way of first fixed charge and first equitable mortgage.

#### **18. Third Party Rights**

No person other than the Loan Noteholders or the Security Trustee shall have any right to enforce any term or condition of this Loan Note.

#### 19. Governing Law

The Loan Note Instrument and the Transaction Documents and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, Gibraltar law.

## 6. Use of Proceeds and Portfolio

The proceeds from the Loan Note issue will be used for the purposes of deploying the capital raised to its Underlying Entities located in Guinea that own and operate 3 mining concessions for three sites. The net proceeds, after the deduction of fees, commissions and expenses payable in connection with this Offering, will be deployed solely to support the Underlying Entities and their mining operations.

The Directors can, should they deem it appropriate, release an annual report which may be made available to Loan Noteholders.

#### THE ISSUER

79th Resources Ltd

#### Introduction

With regard to anything that may have a material effect on the Issuer's solvency, the Issuer represents that, to the best of its belief, none exist. The Issuer further confirms that, as far as it is aware, there are no events, out of the ordinary course of its business, that could affect its ability to meet its obligations.

#### Constitution

The Issuer is a private company limited by shares with registered office at 2 Irish Town, Gibraltar, GX11 1AA incorporated on 11th October 2010 and with company registration number 104802. The Issuer was acquired by the 79th Group. The Company was initially acquired to create a private scheme (collective investment scheme) in accordance with Gibraltar law. The private scheme would have raised monies from known third parties in return for the issuance of participating shares. For a variety of reasons, the Issuer never launched itself as a private scheme.

The Issuer may be contacted by email on [info@79thresources.com](mailto:info@79thresources.com).

The affairs of the Issuer are conducted and managed by the Directors who are appointed by the Issuer's members and who serve in accordance with the Issuer's Memorandum and Articles. The Board is responsible for the proper conduct of the affairs of the Issuer and are responsible for the day-to-day management of the Issuer.

The Issuer's sole shareholders are David Webster, Curtis Webster and Jake Webster. They own the shares equally between them.

There have been no options over shares granted by the Issuer and no warrants over shares have been issued by the Issuer.

Subsidiaries: The Underlying Entities.

#### Directors of the Issuer

The Directors of Issuer are listed below:

Director	Position
George Felipes	Director
Umesh Bhambhawani	Director
79th Management Limited	Director

Documents may be served on the above-named directors at: c/o Triay Lawyers, 28 Irish Town, Gibraltar, GX11 1AA.

It is possible that, in the future, a potential conflict of interest could arise from the above-mentioned businesses. The Directors of 79th Resources Limited are also directors of various other companies domiciled in Gibraltar and elsewhere.

Other than as set out above, no Director has any actual or potential conflict of interest between his or her duties to the Issuer and his or her private interests or other duties.

## Registrar

T&T Trustees Limited

## Business

The principal business of the Issuer is as owner and controller of the Underlying Entities. The Issuer seeks to develop and expand the business and mining operations of the Underlying Entities by a capital injection into each of them.

The Loan Note Instrument creates legal obligations on the Issuer alone and not obligations of, or guaranteed in any way by, the Security Trustee.

## Conflicts of Interest

Prospective subscribers should be aware that there may be situations in which a conflict of interest could arise in connection with the Issuer. Should a conflict of interest actually arise, the Directors will endeavour to ensure that it is resolved fairly, providing that any such party who may have such a direct or indirect conflict of interest declares such an interest in resolving such conflict.

# 7. Description of the Security and the Role of the Security Trustee

## Enforcement of the Security

In a Default Event, the Security Trustee may, at its sole and absolute discretion, enforce the Security.

## Application of Proceeds of Enforcement

All moneys received by or on behalf of the Security Trustee under the terms of the Transaction Documents will be held by the Security Trustee on trust to be applied by the Security Trustee, at any time, as it sees fit, in the following order:

- (i) first, in payment of satisfaction *pari passu* with each other on a pro rata basis all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Programme and the Loan Notes to the Security Trustee (which shall include, without limitation, any taxes required to be paid by the Security Trustee (other than any income, corporation or similar tax in respect of the Security Trustee's remuneration), the costs of enforcing the Security and its rights under the Transaction Documents, the Security Trustee's remuneration and the costs, fees and expenses of any receiver and the costs associated with any action taken by the Security Trustee in accordance with this deed);
- (ii) secondly, in payment of any amounts owing to the Loan Noteholders *pari passu* and rateably; and
- (iii) thirdly, in payment of any balance to the Obligor for itself.

## Restrictions Applicable to the Security

The Obligor hereby jointly and severally covenant with the Security Trustee that, save as (and only to the extent) expressly permitted by the Finance Documents, they will not at any time:

- create and/or purport and/or agree to create and/or permit to arise and/or subsist any Security Interest and/or any trust of any kind on, in respect of and/or in relation to the Underlying Security;
- enter and/or agree and/or attempt to enter into a single transaction and/or a series of transactions (whether related or not) and whether voluntary and/or involuntary to sell, lease, lend, transfer, surrender and/or otherwise dispose of and/or cease to exercise control of all, or any part(s) of and/or any interest(s) in and/or in respect of, any Underlying Security (including, without limitation, the right to receive and/or to be paid (all or any part(s) of) the proceeds and/or income arising on and/or related to the disposal of the same); and/or
- exercise any rights to nominate and/or permit and/or suffer any person (other than the Security Trustee) to enjoy and/or exercise any rights over, in connection with, in respect of and/or relating to any of the Underlying Security.

## The Security Trustee

T&T Trustees Limited will act as the Security Trustee (the "Security Trustee") in accordance with the terms of the Transaction Documents.

T&T Trustees Limited is a private company limited by shares, incorporated in Gibraltar with registration number 17069 and with its registered office at 28 Irish Town, Gibraltar. The directors of the Security Trustee are Louis Lombard, Rosana Duran and Derek Galliano.

## **Absolute Discretion**

The Security Trustee shall have absolute discretion as to the exercise of its powers and obligations and to resolve any questions or doubts arising in relation to any provisions of the deed relating to its appointment. The exercise of the Security Trustee's discretion shall be conclusive and binding on the Loan Noteholders. The Security Trustee shall not be liable for any liability resulting from the exercise of such discretion or the outcome of the exercise of that discretion which shall include but shall not be limited to, the results of any enforcement on the Security.

With respect to repayments generally, the Issuer has not appointed a paying agent and will be processing its own payments, in consequence this **will not** be monitored by the Security Trustee.

## **Resignation and Termination**

The Security Trustee may retire by providing not less than 60 Business Days' written notice to the Issuer.

The retirement or removal of any sole Security Trustee shall not become effective until the appointment of a successor has become effective. The power of appointing a new Security Trustee is vested solely in the Issuer.

## **Fees**

The Issuer shall pay the Security Trustee such remuneration as be separately agreed between them from time to time.

The delivery of this Information Memorandum does not imply that there has been no change in the affairs of the Security Trustee since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

## **Limitation of Liability**

The Security Trustee shall not accept responsibility or be liable for:

- the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Trustee or any other person in or in connection with Transaction Documents, or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with the Transaction Documents;
- the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to any of the Transaction Documents;
- the exercise of, or the failure to exercise, any judgement, discretion or power given to it by or in connection with any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Transaction Documents;
- any shortfall, including but not being limited to as a result of any set-off, which arises following the enforcement of the Transaction Documents;
- any determination as to whether any information provided or to be provided to any Loan Noteholder is confidential or prohibited by applicable law or regulation; or
- without limiting the aforementioned, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:
  - (a) any act, event or circumstance not reasonably within its control; or
  - (b) the general risks of investment in, or the holding of assets in any jurisdiction, including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

## **Indemnity**

The Issuer and the Obligors have agreed to indemnify the Security Trustee.

## Taxation

### Gibraltar Taxation

The following summary is based on the law and practice currently in force in Gibraltar and is subject to changes therein. The statements on taxation below are intended to be a general summary of certain tax consequences that may be relevant to the Issuer and the Loan Noteholders. The statements relate to the Loan Note Instrument and are based on the law and practice in force in Gibraltar at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time of investment will endure indefinitely. Taxation law and practice and the levels and bases of and relief from taxation relating to the Issuer and to Loan Noteholders may change from time to time.

**Prospective subscribers should familiarise themselves with and, where appropriate, take advice from their Professional Advisor/s on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repayment of the Loan Notes and the payment of interest on the Loan Notes in the places of their citizenship, residence and domicile. The tax consequences for each prospective subscriber of acquiring, holding, receiving interest and repaying Loan Notes will depend upon the relevant laws of any jurisdiction to which the prospective investor is subject. Subscribers and prospective subscribers should seek their own professional advice from their Professional Advisor/s as to this, as well as to any relevant exchange control or other laws and regulations.**

Gibraltar has no capital gains tax. In addition, there is no taxation on interest paid by a Gibraltar company to a non-resident recipient (this includes a Loan Noteholder). There is no requirement to withhold tax from interest paid by a Gibraltar company to a non-resident recipient and the Issuer is not required to report interest income paid to Loan Noteholders under the European Union Savings Directive. Gibraltar does not levy taxes on capital inheritances, stamp duty or VAT on the issue of the Loan Notes and there are currently no exchange control restrictions.

**This does not mean that each Loan Noteholder will be exempt from tax in Gibraltar or any other relevant jurisdiction and each Loan Noteholder should therefore consult his/her own Professional Advisor as to his/her own personal taxation position. There can be no assurance that, in the future, the Issuer will not be liable to taxation in Gibraltar. Should the income of the Issuer be deemed to accrue in, or derive from, Gibraltar, and such income be assessable income in accordance with Tables A to C inclusive of Schedule 1 of the Income Tax Act of Gibraltar ("IT Act"), the income of the Issuer will be taxable in Gibraltar under the IT Act. In particular, there can be no guarantee that the Government of Gibraltar may not in the future be required to change the tax system in Gibraltar to the detriment of companies such as the Issuer. No warranty is given or implied regarding the applicability or interpretation of the tax laws in any jurisdiction.**

### United Kingdom Taxation

The comments below are of a general nature based on the Issuer's understanding of current United Kingdom law and HMRC published practice and are not intended to be exhaustive. They relate only to the position of persons who are the absolute beneficial owners of their Loan Notes and all payments made thereon and may not apply to certain classes of persons such as dealers. They do not necessarily apply where the income is deemed for tax purposes to be income of any other person. Any holders of Loan Notes who are in doubt as to their tax position should consult their professional advisers. The following comments relate only to withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Loan Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Loan Notes or with any other aspect of the United Kingdom taxation treatment that may be applicable to holders of Loan Notes (including, for instance, income tax, capital gains tax and corporation tax).

Prospective holders of Loan Notes should note the particular terms of the Loan Note Instrument, as this may affect the tax treatment of that Loan Note and should be treated with appropriate caution. The UK tax treatment of prospective holders of Loan Notes depends on their individual circumstances and may be subject to change in the future.

Loan Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition or holding of Loan Notes are advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions). In particular, Loan Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments made in respect of the Loan Notes, even if such payments may be made without withholding or deduction for or on account of taxation.

### Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ('FATCA') is a US federal law requiring U.S. Persons to report their non-US financial accounts annually to the Internal Revenue Services ('IRS'). The law also requires non-U.S. Foreign Financial Institutions ('FFIs')



to assess and report all accounts held by U.S. Persons. FATCA came into effect on 1 July 2014. The Directors have determined that the Issuer is an FFI and has registered with the Internal Revenue Services and has obtained a Global Intermediary Identification Number ('GIIN'). On 21 August 2015, the International Co-operation (Improvement of International Tax Compliance) (United States) Regulations 2015 (the 'US FATCA Regulations') came into operation in Gibraltar. Under the rules and requirements of the US FATCA Regulations, FFIs are required to complete the following steps: (a) performance of due diligence on financial accounts; and (b) report any U.S. reportable accounts. The Directors understand that the information that an FFI would be required to obtain from Loan Noteholders pursuant to the US FATCA Regulations generally will consist of the following: name, address and taxpayer identification number (if any) of each Loan Noteholder (as applicable); a certification that such Loan Noteholders are not U.S. Persons or citizens; in the case of non-natural shareholders, its classification for U.S. tax purposes (e.g. partnership, corporation, etc); and the Loan Noteholder's classification under FATCA. Under the terms of the US FATCA Regulations, the IRS would have the right to inspect the information collected and analysed by an FFI for the purposes of an audit type process. This may include inspecting information on all Loan Noteholders, i.e. including non-U.S. Persons. The Issuer will act in accordance with the FATCA US Regulations and perform the required assessment of due diligence on financial accounts and report any reportable accounts (as and when applicable to do so).

## **FATCA UK**

On 12 November 2015, the International Co-Operation (Improvement of International Tax Compliance) (United Kingdom) Regulations 2015 ('FATCA UK Regulations') came into operation in Gibraltar. The Directors understand that the FATCA UK Regulations have similar rules and requirements to the US FATCA Regulations, albeit the beneficiary in respect of reporting in relation to the FATCA UK Regulations will be to the HMRC (as opposed to the IRS). The Issuer will act in accordance with the FATCA UK regulations and perform the required assessment of due diligence on financial accounts and report any reportable accounts (as and when applicable to do so).

## **The Common Reporting Standard**

On 1 January 2016, the International Co-Operation (Improvement of International Tax Compliance) Regulations 2015 ('CRS Regulations') came into force in Gibraltar. The Common Reporting Standard ('CRS') is an information standard for the automatic exchange of information developed in response to the G20 request and approved by the OECD Council on 15 July 2014. The CRS requires jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. The CRS sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions. The Directors understand that the CRS Regulations have similar rules and requirements to the US FATCA Regulations albeit the beneficiary in respect of reporting in relation to the CRS Regulations will be to the multiple tax authorities (as opposed to the IRS). The Issuer will act in accordance with the CRS Regulations and perform the required assessment of due diligence on financial accounts and report any reportable accounts (as and when applicable to do so).

## **FATCA and CRS – Data Protection**

As set out above, the Issuer may have to disclose or make available to the IRS, the UK taxation authorities or other relevant tax authorities certain information which would otherwise be subject to the data protection provisions under Gibraltar's Data Protection Legislation. By subscribing for the Loan Notes pursuant to the terms of the Loan Note Instrument, all Loan Noteholders should note that they are agreeing to any transfer of data carried out for any of the reasons given above, or for any reason that the Director or Registrar deem necessary to comply with legislation in force at the time.

Gibraltar's Data Protection Legislation means the Data Protection Act 2004 (the "DPA"), which transposed Directive 95/46/EC and Regulation 2016/678 of the European Union on the protection of personal data ("GDPR").

## **The Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the Commission's proposal) for a financial transaction tax (FTT) to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia, although Estonia has since stated that it will not participate (the participating member states)). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating member states. Generally, it would apply to certain dealings in Loan Notes where at least one party is a financial

institution, and at least one party is established in a participating member state. A financial institution may be, or be deemed to be, "established" in a participating member state in a broad range of circumstances, including (a) by transacting with a person established in a participating member state or (b) where the financial instrument which is subject to the financial transaction is issued in a participating member state.

## 8. Selling Restrictions

### United States

The Loan Note Instrument or the Loan Notes it creates have not been and will not be registered under the Securities Act, or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States or other territory and may not be offered or sold or delivered in the United States or to or for the account or benefit of any U.S. persons.

The Loan Note Instrument or the Loan Notes it creates have not been approved or disapproved by the SEC or any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities approved this Information Memorandum or the Loan Note Instrument and have not confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum or Loan Note Instrument. Any representation to the contrary is a criminal offence.

The Loan Notes are not available for subscription by any person or for the account of any person who is in the United States or who is a U.S. person.

### General

The Loan Notes will be sold on a private placement basis. The Loan Notes are not transferable and therefore there is no secondary market. The Issuer may enter into agreements with a number of Distributors, whereby the Loan Notes will be sold on a non-exclusive basis by the Distributors.

All Distributors will be required to agree that they will comply with all applicable securities laws and regulations in force in any jurisdiction in which it offers, sells or delivers the Loan Note Instrument. Furthermore, they will obtain any consent, approval or permission required by it for the offer, sale or delivery by it of the Loan Note Instrument under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, sales or deliveries and the Issuer shall not have any responsibility therefor. Furthermore, they will not directly or indirectly offer, sell or deliver any Loan Note Instrument or distribute or publish any form of application, Information Memorandum, advertisement or other offering material except under circumstances that will, to the best of their knowledge and belief, result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Loan Note Instrument by them will be made on the same terms.

The Issuer does not represent that the Loan Note Instrument may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Distributors are not authorised to give any information or to make any representation not contained in the Information Memorandum in connection with the offer and sale of Loan Note Instrument to which the Information Memorandum relates.

## 9. General Information

### Authorisation

The establishment of the Programme and the issue of Loan Notes pursuant to the terms of the Loan Note Instrument have been duly authorised by resolutions of the board of directors of the Issuer dated 6th October 2023.

### Listing of Issuer's Shares

The Issuer may IPO at the Directors sole and absolute discretion. In the event that an IPO were to occur, the Conversion rights as provided for in the Loan Note Instrument shall apply on the basis that the Loan Note has not reached its Repayment Date. For further information, please carefully review the Loan Note Instrument.

### Documents Available

So long as Loan Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available to the Loan Noteholders during usual business hours and upon reasonable notice on any weekday

(Saturdays, Sundays and public holidays excepted) from the principal office of the Issuer and from the specified office of the Registrar:

- (i) the Constitutional Documents of the Issuer;
- (ii) the forms of the Loan Notes;
- (iii) a copy of this Information Memorandum; and
- (iv) each Transaction Document.

### **Significant or Material Change**

There has been no significant change in the financial performance or the financial position of the Issuer since the latest financial accounts have been prepared.

### **Litigation**

There are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Issuer is aware in the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer.

### **Auditors**

The Issuer has not appointed an auditor.

### **Initial Registrar**

T&T Trustees Limited

### **Material Contracts**

There are no material contracts having been entered into outside the ordinary course of Issuer's business, and which could result in an obligation or entitlement that is material to its ability to meet its obligation to Loan Noteholders in respect of the Loan Notes being issued.

### **Compensation Scheme**

Any investment in the Loan Notes does not have the status of a bank deposit and is not subject to the investor compensation scheme in Gibraltar or the deposit guarantee scheme in Gibraltar or any equivalent compensation scheme outside of Gibraltar.

### **Constitutional Documents**

The Constitutional Documents can be found at 2 Irish Town, Gibraltar.

During the term of this Information Memorandum, the Constitutional Documents and all reports, letters and other documents, valuations and statements prepared by any expert at the Issuer's request and included in this Information Memorandum can be found at its offices at 2 Irish Town, Gibraltar GX11 1AA.

## **10. Glossary**

In this Information Memorandum, references to all 'Acts', 'Regulations', 'Rules' or governing and regulatory bodies are to 'Acts', 'Regulations', 'Rules' or governing and regulatory bodies of Gibraltar unless otherwise stated and the following words and expressions shall have the following meanings:

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<b>£ or Sterling</b>	means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.
<b>Business Day</b>	has the meaning given in Loan Note Instrument.
<b>Constitutional Documents</b>	means the Articles and the Memorandum.

<b>Conversion</b>	means the limited right that a Loan Noteholder has to convert their respective Loan Notes into shares of the Company as provided for in the Loan Note Instrument. Such a Conversion may only be carried in accordance with the Provisions of the Loan Note Instrument.
<b>Conversion Event</b>	has the meaning given in Loan Note Instrument.
<b>Default Event</b>	has the meaning given in Loan Note Instrument.
<b>Directors</b>	means the board of directors for the time being of the Issuer.
<b>Distributor</b>	means any person subsequently offering, selling or recommending the Loan Notes created by the Loan Note Instrument.
<b>€ or Euro</b>	means the lawful currency for the time being of the EU.
<b>EEA</b>	means the European Economic Area.
<b>EU</b>	means the European Union.
<b>EURIBOR</b>	means the Euro-zone inter-bank offered rate.
<b>FATCA</b>	means the Foreign Account Tax Compliance Act of the United States of America.
<b>GFSC</b>	means the Gibraltar Financial Services Commission.
<b>HMRC</b>	means His Majesty's Revenue & Customs.
<b>Information Memorandum</b>	means this document.
<b>Interest</b>	means 16% per annum.
<b>Interest Payment Date</b>	has the meaning given in the Loan Note Instrument.
<b>Interest Period</b>	means the period from the Issue Date to Repayment Date.
<b>IPO</b>	means the admission of all or any of the shares in the authorised share capital of the Group or securities representing those shares to or the grant of permission by any like authority for the same to be admitted to or traded or quoted on a stock exchange.
<b>Issue Date</b>	means each date on which the Issuer issues Loan Notes to each Loan Noteholder in accordance with the terms of the Loan Note Instrument.
<b>Issuer</b>	means 79th Resources Limited, a private company limited by shares incorporated in Gibraltar, with registered office at 2 Irish Town, Gibraltar GX11 1AA, incorporated on 11th October 2010 and company registration number 104802.
<b>Loan Note</b>	means each Loan Note issued or to be issued pursuant to the Programme.
<b>Loan Note Amount</b>	means the total amount invested in the Loan Note by each Loan Noteholder under the terms of the Loan Note Instrument.
<b>Loan Note Instrument</b>	means the instrument that creates the Loan Note.
<b>Loan Noteholder</b>	means a holder of one or more Loan Notes.

<b>Material Adverse Effect</b>	any event or circumstance which, in the opinion of the Loan Noteholder: <ul style="list-style-type: none"> <li>(a) is likely to materially and adversely affect any Issuer or Obligor’s ability to perform or otherwise comply with all or any of the terms in the Transaction Documents;</li> <li>(b) is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of the Issuer;</li> <li>(c) is likely to result in any Transaction Document not being legal, valid and binding on, and enforceable in accordance with its terms against, the Issuer and/or Obligors and, in the case of the Share Charge, not providing to the Loan Noteholder security over the assets expressed to be subject to a security interest under the Share Charge.</li> </ul>
<b>Memorandum</b>	means the memorandum of association of the Issuer.
<b>MiFID II and/or MiFID 2</b>	means Directive 2014/65/EU.
<b>Obligors</b>	means David Webster, Curtis Webster and Jake Webster.
<b>Outstanding Amount</b>	means the amount due and owing to each Loan Noteholder, respectively, pursuant to their respective Loan Notes in accordance with the terms and provisions of the Loan Note Instrument.
<b>Professional Advisor</b>	means an independent lawyer, accountant, tax specialist, investment advisor, valuer, surveyor (being a member of RICS) and/or any other person offering any other professional service and engaged for that purpose by the Issuer.
<b>Programme</b>	means the Loan Note programme established by the Loan Note Instrument as contemplated in this Information Memorandum and its respective terms.
<b>Prospectus Regulation</b>	means Regulation (EU) 2017/1129.
<b>Register</b>	means the register of Loan Noteholders as kept and maintained by the Registrar.
<b>Registrar</b>	T&T Trustees Limited.
<b>Repayment Amount</b>	means all amounts due and owing to the Loan Noteholder in respect of applicable Loan Notes. For the avoidance of doubt, this may include interest where this has not been paid at an Interest Payment Date. In the event that all Interest has been paid, it shall only be the Loan Note Amount.
<b>Repayment Date</b>	means the date falling 12 months from each Loan Note respective Issue Date or an earlier date if the Directors see fit to repay the Loan Note at their sole and absolute discretion.
<b>SEC</b>	means the U.S. Securities and Exchange Commission.
<b>Securities Act</b>	means U.S. Securities Act of 1933, as amended.
<b>Security</b>	means the security granted under the Share Charge.
<b>Security Interest</b>	means any assignment, charge, encumbrance, lien, mortgage, pledge, right, transfer and/or other security interest securing any obligation of any person and/or any other agreement and/or arrangement having a similar and/or analogous effect (and/or an agreement or commitment (whether conditional and/or unconditional) to create any of the foregoing);
<b>Security Trustee</b>	means T&T Trustees Limited, a private company limited by shares, incorporated in Gibraltar with registration number 17069 and with registered office at 28 Irish Town, Gibraltar, GX11 1AA.
<b>Security Trustee Deed</b>	means the deed appointing the Security Trustee as the trustee of the Security.
<b>Share Charge</b>	means the document creating the charge over the Underlying Security.

<b>Specified Currency</b>	means Euro.
<b>Specified Denomination</b>	means the denomination or denominations of the Loan Notes as specified the terms.
<b>Transaction Document and/or Transaction Documents</b>	<ul style="list-style-type: none"> <li>(a) this Information Memorandum;</li> <li>(b) each Loan Notes;</li> <li>(c) the Constitutional Documents;</li> <li>(d) Security Trustee Deed; and</li> <li>(e) the Share Charge;</li> </ul> <p>any other agreement or document from time to time designated as such by the Issuer.</p>
<b>Underlying Entities and/or Underlying Entity</b>	<p>Means the following subsidiaries of the Issuer:</p> <ul style="list-style-type: none"> <li>• 79th Lusso Mandiana SARLU</li> <li>• 79th Lusso North SARLU</li> <li>• 79th Lusso South SARLU</li> </ul>
<b>Underlying Security</b>	means the shares in the Issuer owned by the Obligors.



**SEVENTY  
NINTH™  
RESOURCES**

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