



Dated 20 December **2023**

SATURN RESOURCES LTD

and

SHANTA GOLD LIMITED

**CO-OPERATION
AGREEMENT**

Contents

	Clause	Page
1	Definitions and interpretation.....	1
2	Publication of announcement and terms of Acquisition	7
3	Undertakings in relation to clearances and conditions.....	8
4	Scheme Document.....	10
5	Implementation of the Scheme.....	10
6	Election to make an offer.....	11
7	Shanta share options and awards.....	12
8	Directors' and officers' insurance	13
9	Termination.....	13
10	Warranties and undertaking	14
11	Notices.....	15
12	Entire Agreement.....	17
13	Miscellaneous.....	17
14	Governing law and dispute resolution	19
Schedule 1		
	Announcement	21

This Agreement is made on

20 December 2023

Between

- (1) **Saturn Resources Ltd** (No. 202512) whose registered office is at No.5, President John Kennedy Street, Rogers House, Port Louis, 11302, Mauritius (**Bidco**); and
- (2) **Shanta Gold Limited** (No. 43133) whose registered office is at 1 New Street, St Peter Port, Guernsey, GY1 2PF (**Shanta**);

together referred to as the **Parties** and each as a **Party** to this Agreement.

Recitals

- (A) Bidco and Shanta propose to announce a recommended cash acquisition of Shanta by Bidco (**Acquisition**) on the terms and subject to the conditions set out in the Announcement (as defined below).
- (B) The Parties intend the Acquisition to be implemented by means of the Scheme (as defined below), provided that as set out in the Announcement, Bidco reserves the right, if the Panel (as defined below) consents, to elect to implement the Acquisition by means of an Offer (as defined below).
- (C) The Parties have agreed to enter into this Agreement to set out their respective rights, obligations and commitments to regulate the basis on which they are willing to implement the Acquisition.

It is agreed as follows:

1 Definitions and interpretation

- 1.1 In this Agreement (including the Recitals and the Schedules other than Schedule 1), each of the following words and expressions has the following meanings unless expressly stated otherwise:

Acceptance Condition means the acceptance condition to the Offer;

Acquisition has the meaning given in Recital (A);

Acquisition Documents means: (i) if the Acquisition is to be implemented by way of a Scheme, the Scheme Document; or (ii) if the Acquisition is to be implemented by way of an Offer, the Offer Document;

Agreed Switch means a Switch where the Acquisition is implemented by way of an Offer in accordance with clause 6.1(a) or following the event in 6.1(b) in circumstances where no Shanta Board Recommendation Change has occurred;

Agreement means this co-operation agreement;

AIM means the market of that name operated by London Stock Exchange plc;

AIM Rules means the rules and guidance for companies whose shares are admitted to and trading on AIM, entitled "AIM Rules for Companies" as published by London Stock Exchange plc from time to time;

Announcement means the announcement of Bidco's firm intention to make an offer for Shanta in the agreed form set out in Schedule 1;

Bidco Directors means the directors of Bidco from time to time;

Bidco Process Agent has the meaning given in clause 11.2(a);

Bidco Responsible Persons means the Bidco Directors and, to the extent relevant, any other person required by the Panel pursuant to Rule 19.2 of the Code to take responsibility for the information in the Scheme Document for which an offeror is required to accept responsibility under the Code;

Business Day means a day, other than a Saturday or Sunday, on which banks are open for general business in London, Mauritius and Guernsey;

Clearance(s) means all consents, approvals, clearances, permissions, waivers, notices and/or filings that are required in order to satisfy the Regulatory Conditions and all waiting periods that may need to have expired, from or under the laws, regulations or practices applied by any relevant Regulatory Authority in connection with the implementation of the Acquisition, to satisfy the Regulatory Conditions and any reference to Clearances having been satisfied shall be construed as meaning that the foregoing have been obtained or, where appropriate, made or expired in accordance with the relevant Regulatory Condition;

Code means the City Code on Takeovers and Mergers as issued from time to time by or on behalf of the Panel;

Companies Law means the Companies (Guernsey) Law, 2008;

Competing Proposal means:

- (a) an offer (including a partial, exchange or tender offer and any revised offer), merger, acquisition, scheme of arrangement, reverse takeover, whitewash transaction and/or business merger (or the announcement of a firm intention to do the same), the purpose of which is to acquire, directly or indirectly, 30% or more of the issued or to be issued share capital of Shanta (when aggregated with any shares already held by the acquirer and any person acting or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing control (as defined in the Code) of Shanta (in each case, whether or not subject to the satisfaction of waiver of any pre-conditions); or
- (b) the acquisition or disposal, demerger or reorganisation, directly or indirectly, of all or a significant proportion (being 25% or more) of the business, assets and/or undertakings of the Shanta Group calculated by reference to any of its revenue, profits or value taken as a whole (or the announcement of a firm intention to do the same),
- (c) any other transaction which would be alternative to, or inconsistent with, or would be reasonably likely materially to preclude, impede or delay or prejudice the implementation of the Acquisition,

in each case which is not effected by Bidco (or a person acting in concert with Bidco) or at Bidco's direction, whether implemented in a single transaction or a series of transactions and whether conditional or otherwise;

Conditions means:

- (a) for so long as the Acquisition is being implemented by means of the Scheme, the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 of the Announcement and to be set out in the Scheme Document; and
- (b) for so long as the Acquisition is being implemented by means of an Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Condition with the Acceptance Condition,

in each case as may be amended by Bidco with the consent of the Panel and Shanta and **Condition** shall be construed accordingly;

Confidentiality Agreement means the confidentiality agreement, dated 29 June 2023, between Shanta and Bidco;

Court means the Royal Court of Guernsey;

Court Meeting means the meeting of the holders of Scheme Shares (and any adjournment or reconvening thereof) to be convened under Part VIII of the Companies Law for the purpose of considering, and if thought fit, approving (with or without modification), the Scheme;

Court Sanction Hearing means the Court hearing to sanction the Scheme under Part VIII of the Companies Law (or any adjournment or postponement thereof);

Day 39 means in the context of an Offer, the 21st day prior to Day 60;

Day 60 has the meaning given in clause 6.2(c)(ii);

Effective Date means the date upon which either:

- (a) the Scheme becomes effective in accordance with its terms; or
- (b) if Bidco elects to implement the Acquisition by means of an Offer, the Offer becoming or being declared unconditional in all respects in accordance with the requirements of the Code;

FCA means the Financial Conduct Authority;

General Meeting has the meaning given to it in the Announcement;

Independent Shanta Directors means the Shanta Directors, other than Mr Ketan Patel;

Law means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Regulatory Authority;

Long Stop Date means the date set out in the Announcement by which the Scheme must become effective or such other later date as may be agreed by the Parties (with the Panel's consent and as the Court may approve (if such consents(s) or approval(s) is/are required));

New Bidco Process Agent has the meaning given in clause 11.2(d);

New Shanta Process Agent has the meaning given in clause 11.2(d);

Offer means, in the event that Bidco exercises its right, as set out in the Announcement, to elect to implement the Acquisition by means of a takeover offer (being an offer for the purposes of section 337 of the Companies Law), such offer, including any subsequent revision, amendment, variation, extension or renewal;

Offer Document means an offer document (including any form of acceptance) published by or on behalf of Bidco in connection with any Offer, including (as the context requires) any revised offer document;

Panel means the Panel on Takeovers and Mergers in the UK;

Regulatory Authority means any merger control authority, or competition or antitrust authority, any minister, cabinet secretary, commissioner, court or national, supranational or supervisory body or other governmental, legislative, trade or regulatory authority, agency or body, in each case in any jurisdiction;

Regulatory Conditions means the Conditions set out in sub-paragraphs 3 to 7 of Part A of Appendix 1 to the Announcement;

Relevant Third Party has the meaning given in clause 13.4(a);

RIS means an information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;

Resolutions(s) has the meaning given to it in the Announcement;

Shanta Board Recommendation means the unanimous and unqualified recommendation of the Independent Shanta Directors to the Scheme Shareholders to vote in favour of the Scheme at the Court Meeting and to the Shanta Shareholders to vote in favour of the Shanta Resolutions at the Shanta General Meeting, or if Bidco proceeds by way of the Offer, to accept the Offer (as the case may be), including the statement in the Announcement that the Independent Shanta Directors intend to make such recommendation;

Shanta Board Recommendation Change means:

- (a) any failure to include the Shanta Board Recommendation in the Scheme Document and (if different) the circular convening the Shanta General Meeting, or where a Switch has occurred, the Independent Shanta Directors do not consent to the Shanta Board Recommendation being included in the Offer Document;
- (b) any announcement by Shanta:
 - (i) that it will not convene the Court Meeting or Shanta General Meeting (except where a Switch has occurred);
 - (ii) that the Independent Shanta Directors no longer intend to make the Shanta Board Recommendation or intend adversely to modify or qualify such recommendation or (except where a Switch has occurred) no longer intend to publish the Scheme Document; or
 - (iii) that it does not intend to post the Scheme Document or (if different) the document convening the Court Meeting or the Shanta General Meeting (except where a Switch has occurred);

- (c) any withdrawal (which, for the avoidance of doubt, shall include the Independent Shanta Directors publicly recommending a third party firm intention to make an offer for all or part of the issued and to be issued share capital of Shanta (whether including or excluding any Shanta Shares held in treasury)), adverse qualification or adverse modification of the Shanta Board Recommendation (including an announcement that the Independent Shanta Directors intend to do so) without Bidco's prior written consent;
- (d) if a third party makes an announcement pursuant to Rule 2.7 of the Code in respect of the issued and to be issued share capital of Shanta which is recommended by the Independent Shanta Directors, or some of them;
- (e) if Shanta makes an announcement that it will delay the convening of, or will adjourn, the Court Meeting or the Shanta General Meeting to a date which is later than the latest date permitted by Condition 2(a)(ii) or Condition 2(b)(ii) i.e. mini long-stops of Part A respectively in each case without the consent of Bidco, except where:
 - (i) Bidco has committed a breach of this Agreement which has not been caused by any prior breach of this Agreement by Shanta and such breach has caused the delay, provided that the duration of such delay is commensurate with such breach; or
 - (ii) a supplementary circular is required to be published in connection with the Scheme, and as a result, the Court Meeting and/or the Shanta General Meeting cannot be held by such date in compliance with the Code and any other applicable Law (but provided that Shanta has used reasonable endeavours to publish the supplementary circular as soon as reasonably practicable after the date on which the requirement to publish a supplementary circular arises); or
 - (iii) such delay or adjournment is solely caused by logistical or practical reasons beyond Shanta's control;
- (f) if, after approval of the Scheme at the Court Meeting and the Shanta Resolutions and the Shanta General Meeting, Shanta announces that it will not implement the Scheme (other than: (i) in connection with an announcement of an offer or revised offer by Bidco for Shanta; or (ii) because a Condition to the Acquisition has become incapable of fulfilment),

provided that, for the avoidance of doubt, the issuance of: (1) any holding statement(s) by Shanta following a change of circumstances; and (2) any announcement(s) by Shanta that the Shanta Board is considering a possible offer for Shanta by a third party, shall not, in any case, constitute a Shanta Board Recommendation Change so long as, any such statement or announcement does not contain an express statement or which clearly implies that the Shanta Board Recommendation is withdrawn, modified or qualified, or that the Independent Shanta Directors intend to withdraw, modify or qualify the Shanta Board Recommendation;

Shanta Directors means the directors of Shanta from time to time;

Shanta General Meeting means the general meeting of Shanta Shareholders (and any adjournment thereof) to be convened in connection with the Scheme for the purpose of considering, and, if thought fit, approving, the Shanta Resolutions;

Shanta Group means Shanta, its subsidiaries and its subsidiary undertakings from time to time and **member of the Shanta Group** shall be construed accordingly;

Shanta Process Agent has the meaning given in clause 11.2(b);

Shanta Resolutions means such shareholder resolution(s) of Shanta as are necessary to approve, implement and effect the Scheme and Acquisition;

Shanta Shareholders means the holders of Shanta Shares from time to time;

Shanta Shares means the ordinary shares of 0.01 pence each in the capital of Shanta from time to time;

Scheme means the scheme of arrangement under Part VIII of the Companies Law by means of which the Parties intend to implement the Acquisition including any subsequent revision, modification or amendment either agreed upon between the Parties, or approved or imposed by the Court and agreed to on behalf of the Parties;

Scheme Condition means the Condition set out in paragraph 2(c) of Part A of Appendix 1 to the Announcement;

Scheme Document means the circular relating to the Scheme to be dispatched to Shanta Shareholders, setting out, among other things, the full terms and conditions to the implementation of the Scheme as well as the Scheme itself and containing the notices of the Court Meeting and the Shanta General Meeting;

Scheme Order means the order of the Court sanctioning the Scheme in accordance with the Companies Law at the Court Sanction Hearing;

Scheme Shareholders has the meaning given to it in the Announcement;

Scheme Shares has the meaning given to it in the Announcement;

Scheme Voting Record Time has the meaning given to it in the Announcement; and

Switch has the meaning given in clause 6.1.

1.2 Interpretation

- (a) In this Agreement, except where the context otherwise requires:
- (i) a reference to this Agreement includes any Recitals and Schedules to it and references to clauses and Schedules are to clauses of, and the schedules to, this Agreement unless the context requires otherwise;
 - (ii) a reference to a time of day is to London time;
 - (iii) a reference to a day (including within the defined term **Business Day**) means a period of 24 hours ending at midnight;
 - (iv) any period of time is calculated exclusive of the day from which the time period is expressed to run or the day upon which the event occurs which causes the period to start running;
 - (v) a reference to a law, statute, instrument or statutory provision is a reference to it as amended, extended, re-enacted, incorporated or reproduced from time to time and to any subordinate legislation made under it;

- (vi) the words **acting in concert** shall be construed in accordance with the Code;
 - (vii) a reference to a **person** includes any individual, an individual's executors or administrators, any body corporate (wherever incorporated) partnership, firm, or unincorporated association, government, state, state agency, (whether or not having separate legal personality) local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality) and includes a reference to that person's legal personal representatives, successors and permitted assigns;
 - (viii) a reference to **writing** or **written** means any method of reproducing words in a legible form and shall include email but shall exclude writing in a transitory form;
 - (ix) the words and phrases **includes, including, in particular** (or any terms of similar effect) shall not be construed as implying any limitation and general words shall not be given a restrictive meaning because they are preceded or followed by particular examples;
 - (x) a reference to the singular include the plural and vice versa; and
 - (xi) a reference to the termination of this Agreement includes a reference to its expiry by effluxion of time.
- (b) The headings in this Agreement do not affect its interpretation.
 - (c) The ejusdem generis principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words.

1.3 **Definitions incorporated from Companies Law**

In this Agreement, words and expressions defined in the Companies Law bear the same meaning as in the Companies Law unless expressly stated otherwise.

2 **Publication of announcement and terms of Acquisition**

- 2.1 The obligations of the Parties under this Agreement, other than clause 1, this clause 2.1 and clauses 10 to 14 (inclusive), shall be conditional on the release of the Announcement via a RIS at or before 17:30 on the date of this Agreement, or such later time and date as Bidco and Shanta may agree (and, where required by the Code, approved by the Panel). This clause 2.1 and clauses 1, 10 to 14 (inclusive) shall take effect upon execution of this Agreement.
- 2.2 The principal terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed by Bidco and Shanta in writing (save in the case of an improvement to the terms of the Acquisition in favour of the Shanta Shareholders, which will be at the discretion of Bidco and/or, where required by the Code, approved by the Panel). The terms of the Acquisition at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should Bidco elect, subject to the consent of the Panel and terms of this Agreement, to implement the Acquisition by way of the Offer, the terms of the Acquisition shall be set out in the announcement of the Switch and in the Offer Document in accordance with the provisions of clause 6.

3 Undertakings in relation to clearances and conditions

3.1 Bidco (and/or relevant members of the Bidco Group) and Shanta (and/or relevant members of the Shanta Group), or such persons jointly (as may be required by applicable Law or a Regulatory Authority) shall:

- (a) contact and correspond with the relevant Regulatory Authorities in relation to the Clearances, including the preparation and submission (in draft or in final form, as the case may be) of all necessary filings, notifications and submissions which it has a responsibility to make under applicable law (or if otherwise required by a Regulatory Authority) within any applicable mandatory time periods and as soon as reasonably practicable following the Announcement unless otherwise agreed between the Parties (acting in good faith); and
- (b) take all required, necessary or reasonable steps to avoid: (i) any declaration of incompleteness by any Regulatory Authority; and (ii) any suspension of any review period by any Regulatory Authority.

3.2 Bidco undertakes to Shanta and Shanta undertakes to Bidco (except to the extent that to do so would lead to legal privilege being lost or waived and except to the extent that to do so is prohibited by applicable Law or the relevant Regulatory Authority):

- (a) to:
 - (i) provide, or procure the provision of, to the other Party (or its advisers) draft copies of all filings, notifications, submissions and material written communications to be made to any Regulatory Authority by or on behalf of that Party in relation to obtaining any Clearances, at such time as will allow the other Party a reasonable opportunity to provide comments on such filings, notifications, submissions and communications before they are submitted or sent, provided that it is reasonably practicable to do so;
 - (ii) incorporate such comments as are reasonable, where it is reasonably practicable to do so; and
 - (iii) provide the other Party (or its nominated advisers) with copies of all such filings, notifications, submissions and communications in the form submitted or sent, and with details of material non-written communications;
- (b) to give the other Party (and its legal advisers) reasonable prior notice of all meetings requested by a Regulatory Authority regarding a Clearance;
- (c) to not request or attend any meeting with a Regulatory Authority in either Kenya or Tanzania regarding a Clearance unless the other Party has jointly requested such meeting or is in attendance at such meeting (or as may otherwise be agreed between the Parties in respect of any meeting);
- (d) where practicable to give the other Party (and its legal advisers) reasonable prior notice of all material telephone calls with any Regulatory Authority in connection with the obtaining of all requisite Clearances in relation to the implementation of the Scheme;
- (e) to promptly notify the other Party of and provide copies of any material written communications from any Regulatory Authority in relation to obtaining any Clearances, and with details of material non-written communications;

- (f) to provide as promptly as is reasonably practicable to the other Party (and its legal advisers) such information, documents and assistance as the other may reasonably request for the purpose of obtaining any Clearances, and making submissions, filings or notifications to any Regulatory Authority, or responding to any enquiries or requests for information from any Regulatory Authority;
- (g) to provide as promptly as is reasonably practicable, and in any event in accordance with any relevant time limit, to any relevant Regulatory Authority such information as it may require including attending any meetings or material calls with the relevant Regulatory Authority as may be necessary; and
- (h) keep the other Party informed of the progress towards the obtaining of the Clearances.

3.3 Bidco undertakes to Shanta that it shall:

- (a) use all reasonable efforts to achieve the satisfaction of the Regulatory Conditions as soon as reasonably practicable, and in any event, in sufficient time so as to enable completion of the Acquisition to occur by the Long Stop Date, provided that any undertaking, condition or order (as applicable) and/or the payment of any material amounts (directly or indirectly) to secure the Clearances, shall, subject to any other requirement of the Panel or the Code, only be given or imposed on terms satisfactory to Bidco (in its sole discretion); and
- (b) keep Shanta informed of the progress towards satisfaction (or otherwise) of the Regulatory Conditions, and if Bidco is, or becomes, aware of any matter which might reasonably be considered to be material in the context of the satisfaction or waiver of, or to provide sufficient grounds for it to be able to invoke, any of the Conditions, it will as soon as reasonably practicable make the substance of any such matter known to Shanta and, so far as it is aware of the same, provide such details and further information as Shanta may reasonably request.

3.4 Bidco shall procure that its parent, ETC Holdings (Mauritius) Limited, shall comply with the provisions of clauses 3.2 and 3.3, as though it were a party thereto.

3.5 Nothing in clauses 3.1 to 3.6 (inclusive) shall require any Party to disclose any competitively sensitive or confidential information or business secrets which have not been previously disclosed to the other Party. Such information shall be communicated between Bidco's and Shanta's advisers on an "external adviser only" basis (with a non-confidential version of the relevant filing, notification, submission or communication being provided to the other Party).

3.6 Nothing in clauses 3.1 to 3.6 (inclusive) shall require the Independent Shanta Directors to maintain their recommendation of the Acquisition or to adjourn or seek to adjourn (or refrain from adjourning or seeking to adjourn) any shareholder meeting or court hearing which has been or will be convened in relation to the Acquisition or require Shanta to make any change (or refrain from making any change) to the timetable for implementing the Acquisition.

3.7 Bidco will not knowingly do any act, matter or thing which would, or would be likely to have the effect of materially delaying satisfaction of any of the Regulatory Conditions or agree to do such act, matter or thing without the prior approval of Shanta.

3.8 Bidco agrees that if it intends to seek the permission of the Panel to invoke a Regulatory Condition, it will, as far in advance as is reasonably practicable and prior to approaching the Panel, notify Shanta of its intention and provide Shanta with reasonable details of the ground(s) on which it intends to invoke the relevant Regulatory Condition.

- 3.9 Bidco shall be responsible for paying any filing, administrative or other fees levied by any relevant Regulatory Authority for the purpose of obtaining any Clearance, unless such fees are payable by Shanta as specified by the applicable local laws.

4 Scheme Document

Where the Acquisition is being implemented by way of the Scheme, Bidco agrees to:

- (a) as soon as reasonably practicable provide to Shanta (and/or its legal advisors) all such information about itself and the Bidco Directors as may be reasonably requested and which is required for the purpose of inclusion in the Scheme Document (including any information required under applicable Law or the Code regarding the intentions of Bidco);
- (b) as soon as reasonably practicable provide to Shanta all other assistance and access which may be reasonably required for the preparation of the Scheme Document (and any other document required by applicable Law or under the Code to be published in connection with the Scheme, including any supplemental circular), including access to, and ensuring that reasonable assistance is provided by, Bidco's relevant professional advisers; and
- (c) procure that the Bidco Responsible Persons accept responsibility, in the terms required by the Code, for all of the information in the Scheme Document relating to themselves (and their close relatives (as defined in the Code), connected persons or related trusts) and any statements of the opinion, belief or expectation of the Bidco Responsible Persons in relation to the Acquisition or Shanta following the completion of the Acquisition and any other information in the Scheme Document for which a bidder is required to accept responsibility under the Code.

5 Implementation of the Scheme

- 5.1 Where the Acquisition is being implemented by way of the Scheme, Bidco undertakes that, by 11.59 pm on the Business Day (being a business day on which banks are open for general business in London and Guernsey) before the Court Sanction Hearing, it shall deliver a notice in writing to Shanta either:

- (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Condition); or
- (ii) confirming its intention to invoke a Condition (if permitted by the Panel) and providing reasonable details of the event which has occurred (or failed to occur), or circumstances which have arisen, which Bidco reasonably considers entitles it to invoke the Condition (and, in the case of any Condition to which Rule 13.5 of the Code applies, setting out why Bidco considers such event or circumstances to be of material significance to Bidco in the context of the Offer for the purposes of Rule 13.5),

and, in circumstances where Bidco confirms the satisfaction or waiver of all Conditions (other than the Scheme Condition) as contemplated by clause 5.1(i), Bidco agrees that Shanta shall be permitted to take all necessary steps to procure that the Court Sanction Hearing is duly held as soon as reasonably practicable thereafter.

- 5.2 If the Acquisition is being implemented by way of the Scheme (and to the extent that all Conditions (other than the Scheme Condition) have been satisfied or waived prior to or on the date of the Court Sanction Hearing):
- (a) Bidco undertakes to instruct counsel to appear on its behalf at the Court Sanction Hearing;
 - (b) Bidco shall undertake to the Court to be bound by the terms of the Scheme in so far as they relate to Bidco; and
 - (c) Bidco shall provide such documentation or information as may reasonably be required by Shanta's Court counsel or the Court, in relation to such undertakings.

6 Election to make an offer

- 6.1 The Parties intend that the Acquisition will be implemented by way of the Scheme. However, Bidco shall be entitled, with the consent of the Panel, to implement the Acquisition by way of the Offer, rather than the Scheme (such election being a **Switch**) if (but only if):
- (a) Shanta provides its prior written consent in which case clause 6.2 shall apply;
 - (b) a third party announces a firm intention to make an offer for all or part of the issued and to be issued ordinary share capital of Shanta (whether including or excluding any Shanta Shares held in treasury);
 - (c) Shanta announces its intention to proceed with a Competing Proposal for Shanta;
 - (d) a Shanta Board Recommendation Change occurs; or
 - (e) without prejudice to clause 6.1(d), any of the circumstances set out in Note 2 in Section 8 of Appendix 7 of the Code applies with respect to the Acquisition.
- 6.2 In the event of any Agreed Switch, unless otherwise agreed with Shanta or required by the Panel, the Parties agree that:
- (a) the Acceptance Condition shall be set at 90% of the Shanta Shares to which the Offer relates (or such lesser percentage as may be determined by Bidco, after, to the extent necessary, consultation with the Panel, being in any case more than 50% of the Shanta Shares);
 - (b) Bidco shall, to the extent reasonably practicable:
 - (i) discuss any announcements relating to the Agreed Switch and its implementation and any proposed changes to the timetable in relation to the implementation of the Switch with Shanta in a timely manner;
 - (ii) prepare, as soon as reasonably practicable, the Offer Document and related form of acceptance;
 - (iii) consult with Shanta as to the timing of the publication of the Offer Document and the form of acceptance; and
 - (iv) consult with Shanta as to the form and content of the Offer Document and the form of acceptance;

- (c) Bidco shall not:
- (i) without the prior written consent of Shanta, make any acceleration statement (as defined in the Code) unless (i) all of the Conditions (other than the Acceptance Condition) have been satisfied or waived (if capable of waiver); and (ii) the acceleration statement (as defined in the Code) contains no right for Bidco to set the statement aside (except with Shanta's consent); and (iii) Bidco undertakes to Shanta not to take any action or step otherwise to set the acceleration statement aside;
 - (ii) take any such action (including publishing an acceptance condition invocation notice (as defined in Rule 31.6 of the Code)) which would cause the Offer not to proceed, to lapse or to be withdrawn in each case for non-fulfilment of the Acceptance Condition prior to midnight on the sixtieth (60th) day following the publication of the Offer Document (or such later date as is set in accordance with Rule 31.3 of the Code and Notes on that Rule) ("**Day 60**") and Bidco shall ensure that the Offer remains open for acceptances until such time;
- (d) if at any time following publication of the Offer Document, it becomes reasonably expected (as determined by Bidco acting reasonably and in good faith) that any outstanding regulatory clearance is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Code, Bidco shall request (if requested to do so by Shanta in writing) or consent to a suspension of the offer timetable in accordance with Rule 31.4(a) of the Code (or, if applicable, a further suspension) to no later than the Long Stop Date;
- (e) Bidco shall ensure that the only conditions to the Offer shall be the Conditions, subject to replacing the Scheme Condition with the Acceptance Condition and any other modifications or amendments to the Conditions as may be required by the Code, the Panel or agreed in writing between the Parties;
- (f) Bidco shall keep Shanta informed, on a confidential basis within two Business Days following receipt of a written request from Shanta, of the number of Shanta Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly or invalidly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of Shanta Shares to which such forms relate; and
- (g) all provisions of this agreement relating to the Scheme and its implementation shall apply to the Offer or its implementation *mutatis mutandis*.

7 Shanta share options and awards

- 7.1 Shanta acknowledges that there are no options, awards or other similar rights which have been granted or issued by Shanta over Shanta Shares, whether under the Shanta Share Plan, or otherwise, which are outstanding (**Awards**), in favour of Shanta employees or other third parties, for which any proposals would be required to be made under Rule 15 of the Code, nor is there any current intention to grant or issue such Awards before the Effective Date.
- 7.2 Bidco is aware of the retention and bonus schemes operated by the Shanta Group (each a "**Reward Scheme**" and together the "**Reward Schemes**") and of the bonus arrangements set out in the contracts of certain individuals employed or engaged by members of the Shanta Group (the "**Bonus Arrangements**", and together with the Reward Schemes (the "**Employee Incentivisation Programmes**")).

- 7.3 Bidco agrees and confirms to Shanta and each member of the Shanta Group that Shanta and the relevant members of the Shanta Group (through their respective relevant directors, officers and employees) are permitted to, and may make cash payment awards, within the usual timeframes, to the relevant individuals under the Employee Incentivisation Programmes as they see fit having exercised their discretion (where relevant), subject to the limits on any such awards set out in the applicable documentation and having applied (if applicable) the usual criteria for making awards (including performance against KPIs, where relevant).

8 Directors' and officers' insurance

- 8.1 To the extent such obligations are permitted by Law, for six years after the Effective Date, Bidco shall procure that the members of the Shanta Group fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance reasonable expenses and to provide all reasonable assistance), in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 8.2 Bidco acknowledges that Shanta may prior to the Effective Date purchase directors' and officers' liability insurance cover for both current and former directors and officers of Shanta Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts or omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially equal to that provided under the Shanta Group's directors' and officers' liability insurance as at the date of this Agreement.

9 Termination

- 9.1 Subject to clauses 9.2 and 9.3, this Agreement shall terminate with immediate effect and all rights and obligations of the Parties under the Agreement shall cease forthwith, if one or more of the following occurs:
- (a) if such termination is agreed in writing between the Parties, at any time prior to the Effective Date;
 - (b) if the Announcement is not released at or before the time specified in clause 2.1 (unless prior to that time the Parties have agreed another time and date in accordance with that clause, in which case that later time and date will apply for the purposes of this clause 9.1 (b));
 - (c) if the Acquisition is being implemented by way of Scheme, the Scheme is not approved by the requisite majority of the Scheme Shareholders at the Court Meeting or the Shanta Resolutions are not passed by the requisite majority of the Shanta Shareholders at the Shanta General Meeting;
 - (d) if the Acquisition is being implemented by way of Scheme, the Court refuses to sanction the Scheme or grant the Scheme Order at the Court Sanction Hearing;
 - (e) upon service of written notice by either Party to the other:
 - (i) if a Competing Proposal:
 - (A) completes, becomes effective, or is declared or becomes unconditional in all respects;

- (B) is recommended in whole or in part by the Independent Shanta Directors; or
- (ii) if a Shanta Board Recommendation Change occurs;
- (f) upon service of written notice by Bidco to Shanta:
 - (i) stating that any Condition which has not been waived is (or has become) incapable of satisfaction by the Long Stop Date and, notwithstanding that it has the right to waive such Condition, Bidco will not do so; or
 - (ii) stating that any Condition which is incapable of waiver has become incapable of satisfaction by the Long Stop Date,

in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) is permitted by the Panel;
- (g) if the Acquisition (whether implemented by way of the Scheme or Offer, as the case may be) is, with the permission of the Panel, withdrawn, lapses or terminates on or prior to the Long Stop Date (other than where such withdrawal, lapse or termination is as a result of the exercise of Bidco's right to effect a Switch); or
- (h) unless otherwise agreed by Bidco and Shanta in writing if the Effective Date has not occurred on or before the Long Stop Date.

9.2 Termination of this Agreement shall be without prejudice to the rights of any of the Parties which have arisen before termination.

9.3 The whole of this clause 9, clause 7 and clauses 10 to 14 (inclusive) and the related provisions of clause 1 shall survive termination of this Agreement.

10 Warranties and undertaking

10.1 Each Party warrants to the other Party on the date of this Agreement that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement constitutes its binding obligations in accordance with its terms;
- (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
 - (i) result in a breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or
 - (iii) result in a breach of any order, judgment or decree or any court or governmental agency to which it is a party or by which it is bound.

10.2 Each Party shall have no claim against the other Party pursuant to clause 10.1 for breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

11 Notices

11.1 Requirements for notices

A notice (including any approval, consent or other communication) given in connection with this Agreement and the documents referred to in it must be in writing and must be given by one of the following methods:

- (a) by hand (including by courier or process server) to the address of the addressee; or
- (b) by pre-paid registered post (or airmail if posted from a place outside the United Kingdom) to the address of the addressee; or
- (c) by email to the email address of the addressee,

being the address or email address (as applicable) specified in clause 11.2 in relation to the Party to whom the notice is addressed, and marked for the attention of the person so specified, or to such other address in the United Kingdom, or marked for the attention of such other person, as the relevant Party may from time to time specify by notice given to the other Party in accordance with this clause.

11.2 Process agent

- (a) Bidco irrevocably appoints Vamara (UK) Limited (registered number 07379888), having its registered address at No.1, 1 Royal Exchange, London EC3V 3DG, as its agent (**Bidco Process Agent**) to accept service of process in England and Wales in relation to any document initiating or otherwise connected with any court proceedings arising out of or in connection with this Agreement.
- (b) Shanta irrevocably appoints Memery Crystal (trading name of RBG legal Services Limited) (registered number 05617309), having its registered address at 165 Fleet Street, London EC4A 2DY, as its agent (**Shanta Process Agent**) to accept service of process in England and Wales in relation to any document initiating or otherwise connected with any court proceedings arising out of or in connection with this Agreement.
- (c) Bidco agrees to notify Shanta of any change of address of the Bidco Process Agent within 10 Business Days of the change of address and Shanta agrees to notify Bidco of any change of address of the Shanta Process Agent within 10 Business Days of the change of address.
- (d) If either the Bidco Process Agent or the Shanta Process Agent ceases to be able to act under this clause 11.2 or ceases to have an address in England and Wales, each of Bidco and Shanta irrevocably agrees to appoint a replacement process agent (in the case of Shanta, a **New Shanta Process Agent** and in the case of Bidco, a **New Bidco Process Agent**), and after such appointment, reference to the Bidco Process Agent and/ or the Shanta Process Agent in this clause shall be read as reference to the New Bidco Process Agent or the New Shanta Process Agent (as applicable) and to give:
 - (i) in the case of appointment of a New Shanta Process Agent, notice of such appointment within 10 Business Days to Bidco; and
 - (ii) in the case of appointment of a New Bidco Process Agent, notice of such appointment within 10 Business Days to Shanta.

- (e) Any such document shall be validly served on Bidco by being sent by pre-paid first class post to or delivered to the Bidco Process Agent or left at the Bidco Process Agent's address set out in this clause 11.2, whether or not forwarded to or received by Bidco.
- (f) Any such document shall be validly served on Shanta by being sent by pre-paid first class post to or delivered to the Shanta Process Agent or left at the Shanta Process Agent's address set out in this clause 11.2, whether or not forwarded to or received by Shanta.
- (g) Without affecting the effectiveness of service under any other method set out in this clause 11, service of such process upon the Bidco Process Agent or the Shanta Process Agent (as applicable) at its address given in clause 3 or elsewhere within the jurisdiction of the English courts for the time being in force shall constitute good service on Bidco or Shanta (as applicable).

11.3 Parties' contact details

The relevant address and specified details for each of the Parties at the date of this Agreement is as follows:

Bidco

Address: No.5, President John Kennedy Street, Rogers House, Port Louis, 11302, Mauritius

For the attention of: Ketan Patel and Badal Patel

Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Address: Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG

Email: [REDACTED]

Attention: Giles Distin

Shanta

Address: 1 New Street, St Peter Port, Guernsey, GY1 2PF

For the attention of: Eric Zurrin and Michal Devine

Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Address: Memery Crystal, 165 Fleet St, London EC4A 2DY

Email: [REDACTED]

Attention: Edward Baker

A Party may change its address provided that it gives the other Party not less than five Business Days' prior notice in accordance with this clause 11. Until the end of such notice period, service on either address shall remain effective.

11.4 Deemed receipt

Unless it is proved that it was received earlier, a notice is deemed to be received and therefore to have been given;

- (a) in the case of a notice given by hand (including by courier or process server) or by registered mail, at the time when the notice is left at or delivered to the relevant address; and
- (b) if sent by email when actually received by the intended recipient in readable form.

12 Entire Agreement

12.1 The provisions of this Agreement shall be supplemental to and shall not prejudice the terms of the Confidentiality Agreement, which shall remain in full force and effect notwithstanding the execution of this Agreement.

12.2 Without prejudice to the terms of the Announcement and the Acquisition Documents, this Agreement, together with the Confidentiality Agreement, represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

12.3 Each Party confirms that, except as provided in this Agreement and the Confidentiality Agreement, in entering into this Agreement no Party has relied on any undertaking, representation or warranty which is not contained in this Agreement or the Confidentiality Agreement and no Party shall be under any liability or shall have any remedy in respect of any misrepresentation or untrue statement relating to the subject matter of this Agreement unless and to the extent that a claim lies under this Agreement or the Confidentiality Agreement.

12.4 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud, fraudulent misstatement or fraudulent misrepresentation.

13 Miscellaneous

13.1 Assignment

No Party may assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, hold on trust or otherwise dispose of (in any manner whatsoever) the benefit of this Agreement or sub contract or delegate in any manner whatsoever its performance under this Agreement, without the prior written consent of the other Party, and any such purported dealing in contravention of this clause 13.1 shall be ineffective,.

13.2 Code

- (a) Nothing in this Agreement shall in any way limit the Parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.
- (b) Nothing in this Agreement shall oblige:

- (i) Shanta to take any action which the Panel determines would not be permitted by Rule 21.2 of the Code; or
 - (ii) Shanta or the Independent Shanta Directors to recommend an Offer or a Scheme proposed by Bidco.
- (c) Without prejudice to the representations and warranties given by the Parties pursuant to clause 10, nothing in this agreement shall be taken to restrict the directors of any member of the Shanta Group or the Bidco Group from complying with Law, orders of court or regulations, including the Code, the AIM Rules and the rules and regulations of the Panel and the Financial Conduct Authority.

13.3 Legal relationship

Nothing in this Agreement or any action taken by the Parties under it shall constitute either Party as a partner of any other.

13.4 Third party rights

- (a) Each of the persons to whom clause 8 applies (each such person being a **Relevant Third Party**) may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of clause 8 (as applicable). This right is subject to:
- (i) the rights of the Parties to rescind or vary this Agreement without the consent of any other person (save that any amendment, waiver or variation of clause 8. shall require the consent of the affected Relevant Third Party); and
 - (ii) the other terms and conditions of this Agreement.
- (b) Save for as set out in clause 13.4(a) above, no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to this Agreement.

13.5 Variation and waiver

- (a) No variation of this Agreement shall be effective unless it is in writing (which for this purpose, does not include email) and signed by, or on behalf of, each of the Parties. The expression **variation** includes any variation, supplement, deletion or replacement however effected.
- (b) No waiver of any right or remedy provided by this Agreement or by law shall be effective unless it is in writing (which for this purpose, does not include email) and signed by, or on behalf of, the Party granting it.
- (c) The failure to exercise, or delay in exercising, any right or remedy provided by this Agreement or by law does not:
- (i) constitute a waiver of that right or remedy;
 - (ii) restrict any further exercise of that right or remedy; or
 - (iii) affect any other rights or remedies.
- (d) A single or partial exercise of any right or remedy does not prevent any further or other exercise of that right or remedy or the exercise of any other right or remedy.

- (e) Without prejudice to any other rights and remedies which a Party may have, each Party acknowledges and agrees that any breach by a Party of this Agreement could cause any other Party injury for which damages may not be an adequate remedy. In the event of a breach or threatened breach by a Party of any of the provisions of this Agreement, any other Party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief (and none of the Parties shall contest the appropriateness or availability thereof) in any court of competent jurisdiction.

13.6 Counterparts

This Agreement may be executed in any number of counterparts and by each Party on separate counterparts, each of which when executed and delivered shall be an original, but all the counterparts together constitute one instrument. Delivery of an executed signature page of a counterpart by electronic transmission shall take effect as delivery of an executed counterpart of this Agreement.

13.7 Time of the essence

Except as otherwise expressly provided, time shall be of the essence of this Agreement in respect of any dates, times and periods mentioned throughout this Agreement and in respect of any dates and periods which may be substituted for them in accordance with this Agreement or by agreement in writing by the Parties.

13.8 Severance

- (a) If any provision or part of any provision of this Agreement is or becomes invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision of this Agreement.
- (b) If any provision of this Agreement is or becomes invalid or unenforceable in any respect, but would be valid and enforceable if some part of the provision were deleted, the provision in question shall apply with such deletion as may be necessary to make it valid and enforceable.
- (c) The Parties agree that, if the Panel determines that any provision of this Agreement that requires Shanta to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.

13.9 Costs

Except as otherwise expressly provided for in this Agreement each Party shall bear its own costs and expenses incurred in connection with the negotiation, preparation execution and performance of this Agreement and any other documents referred to in this Agreement and any other documents which are ancillary or incidental to it. Without prejudice to the foregoing Bidco shall be responsible for paying (i) all fees imposed by any Regulatory Authority in relation to Clearances unless such fees are payable by Shanta as specified by the applicable local laws and (ii) the Panel's document charges in respect of the Acquisition.

14 Governing law and dispute resolution

14.1 Arbitration

- (a) Except for claims seeking temporary or preliminary injunctive relief, any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by binding arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause.
- (b) The number of arbitrators shall be one.
- (c) The seat, or legal place, of arbitration shall be London.
- (d) The language to be used in the arbitral proceedings shall be English.
- (e) The governing law of the Agreement shall be the substantive law of England.

14.2 Temporary or preliminary injunctive relief

Claims seeking temporary or preliminary injunctive relief under this Agreement will also be governed by and in accordance with English law and each Party irrevocably agrees to submit to the non-exclusive jurisdiction of the courts of England in relation to any such claim.

Schedule 1
Announcement

Executed by
Saturn Resources Ltd
acting by a director

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)
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Director

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Executed by
Shanta Gold Limited
acting by a director

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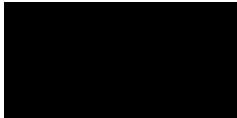
Director

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Executed by
Saturn Resources Ltd
acting by a director

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) Director

Executed by
Shanta Gold Limited
acting by a director

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