

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should immediately seek your own advice from a stockbroker, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. Investment in the Company is speculative and involves a high degree of risk.

If you have sold or otherwise transferred all of your shares in Stellar Diamonds plc, please pass this document together with the enclosed Form of Proxy to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



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**STELLAR DIAMONDS PLC**

*(Incorporated and registered in England and Wales with registered number 5424214)*

**Notice of Annual General Meeting**

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**Notice of the Annual General Meeting of Stellar Diamonds plc (the “Company”), to be held at the offices of Peterhouse Corporate Finance, 3<sup>rd</sup> Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD on 29 March 2018 at 10.00am is set out on pages 5 to 8 of this document.**

**A Form of Proxy for use in connection with the Annual General Meeting is enclosed and should be completed and returned to the Company’s registrars at Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland as soon as possible and, in any event, by no later than 10.00am on 29 March 2018. Completion and return of a Form of Proxy will not preclude shareholders from attending and voting at the Annual General Meeting in person should they so wish. If you do not send in a valid Form of Proxy or attend the Annual General Meeting in person to vote, no-one else may vote on your behalf.**

## STELLAR DIAMONDS PLC

(Incorporated and registered in England and Wales with registered number 5424214)

Directors:

Lord Peter Daresbury (Non-executive Chairman)  
Karl Smithson (Chief Executive Officer)  
Steven Poulton (Non-executive Director)  
Hansjörg Plaggemars (Non-executive Director)

Registered Office:

40 Bloomsbury Way  
London  
WC1A 2SE

12 March 2018

To holders of Ordinary Shares of £0.01 each in the capital of the Company ("Ordinary Shares") and, for information purposes only, to the holders of options and warrants to subscribe for Ordinary Shares

Dear Shareholder,

### Annual General Meeting of Stellar Diamonds plc (the "Company")

#### 1. Introduction

I am pleased to be writing to you with details of our Annual General Meeting ("**AGM**") which we are holding at the offices of Peterhouse Corporate Finance, 3<sup>rd</sup> Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD on 29 March 2018 at 10.00am. The formal Notice of AGM is set out on pages 5 to 8 of this document.

If you would like to vote on the resolutions but cannot attend the AGM, please complete the Form of Proxy enclosed with this document and return it as soon as possible to the Company's registrars at Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland. The Company's registrars must receive the completed Form of Proxy by 10.00am on 27 March 2018 in order for it to be valid.

#### 2. Business to be transacted at the AGM

Details of the resolutions to be proposed at the AGM are set out below.

##### **Ordinary resolution 1: Annual Report 2017**

The business of the AGM will begin with a resolution to lay before shareholders the Company's annual accounts for the financial year ended 30 June 2017, together with the report of the directors of the Company (the "**Directors**") and the auditors' report on those accounts (the "**Annual Accounts**"). Shareholders will have the opportunity to put questions on the Annual Accounts to the Directors before the resolution is proposed to the meeting.

##### **Ordinary resolutions 2 and 3: Re-appointment of auditors and authority to determine remuneration**

Shareholders will be asked to confirm the re-appointment of Deloitte (Ireland) as the Company's auditors to hold office until the conclusion of the next AGM and to grant authority to the Directors to determine the auditors' remuneration.

##### **Ordinary resolution 4: Appointment of Director**

Shareholders are asked to re-elect as a director Hansjörg Plaggemars who is retiring in accordance with Article 25 of the Company's Articles of Association and who being eligible is offering himself for election.

### **Ordinary resolution 5: Grant of authority to the Directors to allot Ordinary Shares**

Resolution 5, which will be proposed as an ordinary resolution, to authorise the Directors to allot new shares up to an aggregate amount of £984,515.56 (98,451,556 Ordinary Shares) being the aggregate nominal value of: a) new Ordinary Shares in the Company arising on conversion of the US\$1.34 million convertible loan notes ("**2nd CLNs**"); b) on exercise of the warrants attached to the 2nd CLNs ("**2nd CLN Warrants**") granted on 27 July 2017 (as amended) as required by the terms of the 2nd CLNs and the 2nd CLN Warrants; and c) the new Ordinary Shares to be issued to Deutsche Balaton AG pursuant to an agreement entered into on 6 October 2016 (as subsequently amended) whereby Deutsche Balaton AG conditionally agreed to waive certain of its rights under its convertible loan note relating to its ability to convert/and or exercise its loan note and warrants respectively into shares in a subsidiary of the Company.

The authorities assume a warrant exercise price of 5 pence and loan conversion price of 3.5 pence per Ordinary Share.

### **Ordinary resolution 6: Grant of authority to the Directors to allot Ordinary Shares**

This resolution deals with the Directors' authority to allot Relevant Securities in accordance with section 551 of the Companies Act 2006 (the "**2006 Act**"). This resolution will, if passed, authorise the directors to allot:

Relevant Securities up to a maximum nominal amount of £1,240,154.96 (124,015,496 Ordinary Shares) which represents approximately 200 per cent. of the Company's issued Ordinary Shares (excluding treasury shares) as at 9 March 2018.

Therefore, the maximum nominal amount of Relevant Securities (including equity securities) which may be allotted under this resolution is £1,240,154.96.

As at close of business on 9 March 2018 the Company did not hold any treasury shares.

This authority replaces any unexercised authorities granted by ordinary resolutions passed on 24 March 2017 and will expire on the date which is 18 months after the date on which the resolution is passed or, if earlier, the date of the next AGM of the Company.

Relevant Securities means:

- Shares in the Company other than shares allotted pursuant to:
  - an employee share scheme (as defined by section 1166 of the 2006 Act);
  - a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
  - a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
- Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

### **Special resolution 7: Disapplication of statutory pre-emption rights on allotment of shares**

If the Directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company may hold in treasury following a purchase of its own shares, the 2006 Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holdings.

Resolution 7, will be proposed as a special resolution, to authorise the Directors to allot the new Ordinary Shares under resolution 5 on a non pre-emptive basis.

### ***Special resolution 8: Disapplication of statutory pre-emption rights on allotment of shares***

This resolution will, if passed, give the Directors power, pursuant to the authority to allot granted by resolution 6, to allot equity securities (as defined by section 560 of the 2006 Act) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings up to a maximum nominal amount of £1,240,154.96 (124,015,496 Ordinary Shares) which represents approximately 200 per cent. of the Company's issued Ordinary Shares (excluding treasury shares) as at 9 March 2018.

The proposed resolution also disapplies the statutory pre-emption provisions in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities or as the Directors otherwise consider necessary, and allows the Directors, in the case of any such offer, to make arrangements in relation to fractional entitlements or other legal or practical problems which might arise.

The total number of Ordinary Shares in issue as at 9 March 2018 is 62,007,748 (being the latest practicable date prior to the publication of this document). The Company does not currently hold any treasury shares. This authority replaces a similar authority passed on 24 March 2017 and the power granted by this resolution will expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company.

The Directors consider that the level of share authorities being sought under resolutions 6 and 8 are necessary to give flexibility to the Company in the required funding of the Tongo-Tonguma project following the Company completing the Tribute Mining Agreement with Ocea Mining Limited (as announced on 1 March 2018) should the possible offer for the entire issued and to be issued share capital of the Company by Newfield Resources Ltd that was announced on 1 February 2018 not proceed. This is considered important given the development capital required to bring this project into commercial production.

### **3. Action to be taken**

You are entitled to appoint one or more proxies to attend and vote at the AGM on your behalf. You will find enclosed with this document a Form of Proxy for use in connection with the AGM. Whether or not you propose to attend the AGM in person, you are requested to complete and return the Form of Proxy to the Company's registrars at Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland as soon as possible and, in any event, so as to be received **no later than 10.00am on 27 March 2018**. Completion and return of a Form of Proxy will not preclude you from attending the AGM and voting in person should you so wish.

### **4. Recommendation**

**The Directors consider that all of the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that shareholders vote in favour of all of the resolutions, as the Directors and management intend to do in respect of their own beneficial holdings amounting to in aggregate 6,634,022 Ordinary Shares representing approximately 10.70 per cent. of the existing issued share capital of the Company as at the date of this notice.**

Yours faithfully,



Lord Peter Daresbury  
Chairman

## STELLAR DIAMONDS PLC

*(Incorporated and registered in England and Wales with registered number 5424214)*

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Stellar Diamonds plc (the "Company") will be held at the offices Peterhouse Corporate Finance, 3<sup>rd</sup> Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD on 29 March 2018 at 10.00am for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, 1 to 8 of which numbers 1 to 6 will be proposed as ordinary resolutions and numbers 7 and 8 will be proposed as special resolutions:

#### ORDINARY RESOLUTIONS

- 1 That the Company's annual accounts for the financial year ended 30 June 2017, together with the report of the directors of the Company (the "**Directors**") and the auditors' report on those accounts be received and adopted.
- 2 That Deloitte Ireland be reappointed as the Company's auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting at which the accounts are laid before the Company.
- 3 That the Directors be authorised to determine the auditors' remuneration.
- 4 That Hansjörg Plaggemars who is retiring in accordance with Article 25 of the Company's Articles of Association and who being eligible offers himself for election.
- 5 That the Directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), to exercise all the powers of the Company to allot Relevant Securities in the Company (as defined in the notes to this Notice) up to an aggregate nominal amount of £984,515.56 (being the aggregate nominal value of new Ordinary Shares in the Company arising upon conversion of the US\$1.34 million convertible loan notes ("**2<sup>nd</sup> CLN**"); exercise of the warrants ("**2<sup>nd</sup> CLN Warrants**") granted on 27 July 2017 (as amended) and issue of shares to Deutsche Balaton AG pursuant to an agreement entered into on 6 October 2016 so that: (i) this authority is limited to the allotment of Ordinary Shares of £0.01 each pursuant to any such conversion or exercise; (ii) this authority shall expire (unless it is revoked, varied, renewed or extended) on 5 June 2018 and (iii) this authority shall be in addition and without prejudice to any other existing authorities.
- 6 That the Directors be generally and unconditionally authorised, in accordance with section 551 of the Act, to exercise all the powers of the Company to allot Relevant Securities (as defined in the notes to this notice up to an aggregate nominal amount of £1,240,154.96 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Save for the authority granted under Resolution 5, this resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 18 months after the date on which this resolution is passed or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities

in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

### **SPECIAL RESOLUTIONS**

- 7 That, conditional upon the passing of resolution 5, the Directors be and are hereby authorised pursuant to section 571 of the Act to allot equity securities for cash pursuant to the authority conferred on them by Resolution 5 up to an aggregate nominal amount of £984,515.56 (being the aggregate nominal value of the new Ordinary Shares in the Company arising upon conversion of the 2<sup>nd</sup> CLNs; exercise of the 2<sup>nd</sup> CLN Warrants and issue of shares to Deutsche Balaton AG pursuant to an agreement entered into on 6 October 2016 as if section 561(1) of that Act did not apply to any such allotment, provided that this power is limited to the issue of such Ordinary Shares and shall expire when such authority under resolution 5 expires and this authority shall be in addition and without prejudice to any other existing authorities.
- 8 That, subject to the passing of resolution 6 the Directors be and are hereby empowered, pursuant to Section 570 of the Act, to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 5 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to
- a. the allotment of equity securities pursuant to an offer or issue by way of rights, open offer or other pre-emptive offer:
    - (i) to the holders of ordinary shares of the Company and other persons entitled to participate therein in proportion (as nearly as may be practicable) to their respective holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  - b. (otherwise than pursuant to paragraph 8a. above) equity securities up to an aggregate nominal amount of £1,240,154.96

and the power granted by this resolution shall expire (if not previously expired by non-fulfilment of conditions) on the date which is 18 months after the date on which this resolution is passed or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

Save for the authority granted under Resolution 7, this resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities

Dated 12 March 2018

By Order of the Board

*Registered office:  
40 Bloomsbury Way  
London  
WC1A 2SE  
United Kingdom*

Notes:

- 1 Relevant Securities means:
  - (a) Shares in the Company other than shares allotted pursuant to:
    - (i) an employee share scheme (as defined by section 1166 of the 2006 Act);
    - (ii) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
    - (iii) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
  - (b) Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.
- 2 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.
- 3 To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland no later than 10.00am on 27 March 2018.
- 4 The return of a completed Form of Proxy, other such instruction or any CREST Proxy Instruction (as described in paragraph 7 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
- 5 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the Annual General Meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company (the "Register of Members") at close of business on the day which is two days before the date of the meeting (or in the case of an adjournment as at close of business on the day which is two days before the date of the adjourned meeting). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
- 6 CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 7 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent ID 3RA50 by 10.00am on 27 March 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 8 CREST Members and, where applicable, their CREST sponsors, or voting service provider(s) should note that Euroclear does not make available procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST Personal Member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 9 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 10 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the AGM and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company (the "**Register of Members**") at close of business on the day which is two days before the date of the meeting (or in the case of an adjournment as at close of business on the day which is two days before the date of the adjourned meeting). Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.
- 11 As at 9 March 2018 (being the latest practicable date prior to the publication of this document), the Company's issued share capital consists of 62,007,748 Ordinary Shares of £0.01 each and which each carry one vote. Therefore, the total voting rights in the Company as at 9 March 2018 are 62,007,748.
- 12 A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that, on a poll, if more than one corporate representative purports to exercise powers over the same share as another corporate representative, that power will be treated as not exercised.

- 13 Copies of the following documents will be available for inspection at the Company's registered office at 40 Bloomsbury Way, London, WC1A 2SE during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the Annual General Meeting and at the place of the Annual General Meeting itself from 15 minutes before the Annual General Meeting until the conclusion of the Annual General Meeting:
- a) the service contracts between the Company and each of the executive directors of the Company; and
  - b) the letters of appointment between the Company and each of the non-executive directors of the Company.