NOBLE GROUP LIMITED

(*Incorporated in Bermuda with limited liability*)

ENTRY INTO AN INVESTMENT AGREEMENT

1. INTRODUCTION

Noble Group Limited ("**NGL**" and together with its subsidiaries from time to time, the "**Noble Group**") wishes to announce that its wholly-owned subsidiary, Talaxis Limited ("**Talaxis**"), had on 16 November 2017 entered into an investment agreement ("**Investment Agreement**") with Mkango Resources Limited ("**Mkango**") in connection with:

(i) the proposed investment by Talaxis in Lancaster Exploration Limited ("**Lancaster**"), a wholly-owned subsidiary of Mkango for the development of the Songwe Hill rare earths project in Malawi (the "**Project**") (the "**Proposed Lancaster Investment**"); and

(ii) the proposed investment by Talaxis in a company ("**NewCo**") to hold Mkango's 85% interest in a joint venture between Mkango and Metalysis Limited for the development of new rare earth alloy powders and magnet technologies and production facilities ("**Metalysis Joint Venture**") (the "**Proposed NewCo Investment**" and together with the Proposed Lancaster Investment, the "**Proposed Investments**").

The Proposed Investments are subject to, among others, the approval of the Toronto Venture Exchange on which the shares of Mkango are listed ("**TSX-V Approval**").

Upon completion of the Proposed Investments, Talaxis will hold 49.0% of Lancaster ("**Lancaster Interest**") and up to 49.0% of NewCo ("**NewCo Interest**"), and each of Lancaster and NewCo will become associated companies of NGL.

2. DETAILS OF THE PROPOSED INVESTMENTS

2.1 The Proposed Lancaster Investment

The aggregate consideration for the Proposed Lancaster Investment (the "**Lancaster Consideration**") is £12 million, which shall be payable in three tranches as follows:

(i) £2 million to be paid to Lancaster on the fourth business day after TSX-V Approval has been obtained (the "**Phase 1 Lancaster Investment**"). In consideration, Lancaster will issue new shares of Lancaster to Talaxis such that Talaxis will hold 8% of the outstanding shares of Lancaster post-issuance;

(ii) £3 million to be paid to Lancaster on the 45th day after TSX-V Approval has been obtained (the "**Phase 2 Lancaster Investment**"). In consideration, Lancaster will issue additional new shares of Lancaster to Talaxis such that Talaxis will hold 20% of the outstanding shares of Lancaster post-issuance; and

(iii) £7 million to be paid to Lancaster upon the Phase 1 Lancaster Investment and the Phase 2 Lancaster Investment being expended on the Project and subject to Talaxis and Mkango entering into of a definitive joint venture agreement in respect of Lancaster and the development of the Project (the "**Lancaster Joint Venture Agreement**"). In consideration, Lancaster will issue additional new shares of Lancaster to Talaxis such that Talaxis will hold 49% of the outstanding shares of Lancaster post-issuance.

The parties agreed that the Lancaster Joint Venture Agreement will provide for the following:

(a) upon completion of the bankable feasibility study for the Project and in consideration for Talaxis arranging funding for 100% of the remaining development costs for the Project, Talaxis has the option to:

(1) acquire further shares of Lancaster such that it will hold 75% of the outstanding shares of Lancaster post-issuance; and

(2) acquire offtake rights on commercial terms for similar offtake agreements in the industry for 100% of the production from the Project (subject to NewCo having the option to retain such amount of offtake as required for NewCo's downstream manufacturing activities in connection with the Metalysis Joint Venture); and

(b) Talaxis will be Mkango's preferred partner for all rare earths' project worldwide and for all activities of any sort in Malawi while Mkango will be Talaxis' preferred partner for all rare earths' projects worldwide.

The Lancaster Consideration was arrived at after arm's length negotiations between Talaxis and Mkango, on a "willing buyer willing seller" basis, and taking into account, *inter alia*, the funding requirements for the Project and the Group's commercial assessment of the value of Lancaster having regard to the factors as further described in paragraph 4 of this Announcement below. The Lancaster Consideration will be funded by internal resources and satisfied in cash.

2.2 **The Proposed NewCo Investment**

The consideration for the Proposed NewCo Investment is £2 million (the "**NewCo Consideration**"), which shall be payable in two tranches as follows:

(i) £1 million to be paid to NewCo on the 45th day after TSX-V Approval has been obtained (the "**Phase 1 NewCo Investment**"). In consideration, NewCo will issue new shares of NewCo to Talaxis such that Talaxis will hold 24.5% of the outstanding shares of NewCo post-issuance; and

(ii) £1 million to be paid to NewCo upon the Phase 1 NewCo Investment being expended on the Metalysis Joint Venture and subject to Talaxis and Mkango entering into of a definitive investment agreement in respect of NewCo and the Metalysis Joint Venture (the "**NewCo Investment Agreement**" and together with the Lancaster Joint Venture Agreement, the "**Definitive Agreements**"). In consideration, NewCo will issue new shares of NewCo to Talaxis such that Talaxis will hold 49% of the outstanding shares of NewCo post-issuance.

The NewCo Consideration was arrived at after arm's length negotiations between Talaxis and Mkango, on a "willing buyer willing seller" basis, and taking into account, *inter alia*, the funding requirements for the Metalysis Joint Venture and the Group's commercial assessment of the value of NewCo having regard to the factors as further described in paragraph 4 of this Announcement below. The NewCo Consideration will be funded by internal resources and satisfied in cash.

2.3 Other Salient Terms

The Investment Agreement provides that Mkango will agree with Lancaster and Talaxis that all intercompany debt between Lancaster and Mkango will only be repayable in such amounts as shall be equal per share to any dividend declared on the shares of Lancaster held by Talaxis and that such debt will be cancelled if the benefit of the debt is transferred by Mkango to a third party. Until all intercompany debt from Lancaster to Mkango will be repaid, no dividend will be declared on the shares of Lancaster held by Talaxis unless an equal amount for each share of Lancaster held by Mkango is used to repay intercompany debt owed from Lancaster to Mkango.

The Investment Agreement shall automatically expire (unless extended by the parties) upon the earlier of (a) the date on which all of the Definitive Agreements are executed; or (b) 180 days after the date of the Investment Agreement.

For further details, please also refer to the press release by Mkango entitled "Mkango enters into agreement with Talaxis to fund development of the Songwe Hill rare earths project in Malawi and commercialisation of new magnet technologies", a copy of which is uploaded on SGXNet concurrently with this Announcement.

3. INFORMATION ON LANCASTER AND NEWCO

3.1 Lancaster

Lancaster is a company incorporated under the laws of the British Virgin Islands and holds a prospecting licence in respect of the Project.

Lancaster has additional assets which are financed separately from the Project and are held in trust for Mkango, pending transfer to a separate vehicle.

3.2 Asset Value of Lancaster

Lancaster is a vehicle established to fund mining exploration activities in Malawi and as such does not have a positive stream of cash flows yet as at the date of this Announcement. As at 30 September 2017, the book value and net tangible asset value of Lancaster was approximately £19,000. On the basis of the foregoing, the book value and net tangible asset value attributable to the Lancaster Interest is approximately £9,000.

3.3 Net Loss of Lancaster

Lancaster is a vehicle established to fund mining exploration activities in Malawi and as such does not have profits as at the date of this Announcement. For the nine months ended 30 September 2017, the net loss (before income tax, minority interests and extraordinary items) of Lancaster, is approximately £560,000. On the basis of the foregoing, the net loss (before income tax, minority interests and extraordinary items) attributable to the Lancaster Interest is approximately £274,000.

3.4 NewCo

NewCo has not been incorporated as at the date of this Announcement. Upon incorporation, it is expected that NewCo will, in addition to participating in the Metalysis Joint Venture, build capabilities in the rare earth alloy and magnet market, market any production arising from the collaboration with Metalysis collaboration and market production of other third party sources of magnets.

4. RATIONALE FOR THE PROPOSED INVESTMENTS

Talaxis Limited is the Group’s dedicated vehicle to invest in and develop upstream, midstream and downstream assets globally in the rare earths and technology metals sectors. The Proposed Investments will further strengthen the Group’s supply chain specialised in technology metal products.

The Proposed Investments are part of the Group’s efforts to strengthen its green technology and specialty metals supply chain as announced on 15 November 2017. The Proposed

Investments will bolster the Group's position in the rare earths sector both upstream and downstream. The Group has made a careful assessment of the Project after taking into consideration multiple elements including but not limited to the demand of rare earths products both short term and long term, the investments already made by Mkango into the Project and in Malawi since 2010, the content of a pre-feasibility study published by the MSA Group (a specialist consultant to the mining industry) in December 2015, a study on the estimated project costs, the conclusions of the on-the-ground due diligence of the facility, logistics, environment and Project-related social responsibility as well as a review of the Mkango's management and operation team's experience and capability. The Group also took into account its participation (through NewCo) in the Metalysis Joint Venture for the development of a manufacturing facility which also provides access to downstream markets.

5. FINANCIAL EFFECTS OF THE PROPOSED INVESTMENTS

The effect of the Proposed Investments on the net tangible assets per share and the earnings per share of NGL is immaterial, assuming that the transaction had been effected at 31 December 2016 and 1 January 2016 respectively. The Proposed Investments will also not have any impact on the issued share capital of NGL.

6. CHAPTER 10 OF THE LISTING MANUAL

6.1 Rule 1006 Relative Figures for the Proposed Investments

The relative figures for the Proposed Investments computed on the relevant bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") are as follows:

Rule 1006	**Bases**	**Relative Figures (%)**
(a)	Net asset value of the Lancaster Interest and the NewCo Interest as compared with Noble Group's net asset value	Not applicable to an acquisition of assets
(b)	Net loss attributable to the Lancaster Interest and the NewCo Interest compared with Noble Group's net loss[1]	Not meaningful
(c)	The consideration given compared with the market capitalisation[2] of NGL	9

1 Net profits/loss is defined as profit/loss before income tax, minority interest and extraordinary items. The net loss attributable to the Lancaster Interest for the nine months ended 30 September 2017 is approximately £274,000 (or approximately US$. Noble Group's net loss based on the latest announced unaudited consolidated financial statements of Noble Group for the nine months ended 30 September 2017 is approximately US$3,197 million.

2 The market capitalisation of NGL of approximately US$200 million is based on a total number of 1,312,795,156 shares of NGL in issue (excluding treasury shares) as at 15 November 2017, at the volume-weighted average price of S$0.2070 per share transacted

6.2 **Rule 1010**

As the relative figures for the Proposed Investments computed on the relevant bases set out in Rule 1006 of the Listing Manual exceed 5% but does not exceed 20%, the Proposed Investments are classified as a “discloseble transaction” for the purposes of Chapter 10 of the Listing Manual.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their interests in the shares of NGL (if any), none of the directors or controlling shareholders of NGL has any interest, direct or indirect, in the Proposed Investments.

8. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed as a director of NGL in connection with the Proposed Investments. Accordingly, no service contract is proposed to be entered into between NGL and any such person in connection with the Proposed Investments.

9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Investment Agreement is available for inspection during normal business hours at the registered office of NGL at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and at the offices of Allen & Gledhill LLP, 30th Floor, One Marina Boulevard, Singapore 018989 for a period of three months commencing from the date of this Announcement.

Noble Group Limited
20 November 2017

on 15 November 2017, being the market day preceding the date of the Investment Agreement, and an exchange rate of US$1.00 to S$1.3567.

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About Noble Group

Noble Group (SGX: CGP) manages a portfolio of global supply chains covering a range of industrial and energy products. Noble facilitates the marketing, processing, financing and transportation of essential raw materials. Sourcing bulk commodities from low cost regions such as South America, South Africa, Australia and Indonesia, the Group supplies high growth demand markets, particularly in Asia and the Middle East. For more information please visit www.thisisnoble.com.

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