



**Bezant Resources PLC** - BZT Proposed Disposal of 80% of Mankayan project  
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## **Bezant Resources Plc**

("Bezant" or the "Company")

### **Proposed Disposal of 80% of the Company's interest in the Mankayan Copper-Gold project, Philippines, to MMIH (Singapore)**

Bezant (AIM: BZT), the copper-gold exploration and development company, is pleased to announce that on 4 October 2019 (the "**Transaction Date**") it entered into a conditional transaction agreement (the "**Transaction Agreement**") with Mining and Minerals Industries Holding Pte. Ltd. ("**MMIH**"), a private company incorporated in Singapore, with respect to the proposed disposal of 80 per cent. of the Company's interest in the Mankayan copper-gold project in the Philippines (the "**Mankayan Project**") (the "**Proposed Transaction**"). MMIH has itself previously entered into a separate agreement to vend certain mining assets in the Philippines to China Hongxing Sports Limited ("**CHX**"), a public company listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**Singapore Stock Exchange**" or "**SGX**"), which, if successfully completed, would constitute a reverse takeover (the "**RTO Transaction**") by CHX under the listing rules of the SGX.

Pursuant to the terms of the Transaction Agreement, MMJV Pte. Ltd. ("**MMJV**"), a wholly-owned subsidiary of MMIH, will acquire an 80 per cent. shareholding (the "**MMJV Shares**") in Asean Copper Investments limited ("**Asean Copper**") (the "**Acquisition**"). Asean Copper, incorporated in the British Virgin Islands, is the special purpose vehicle through which Bezant owns its interest in the Mankayan Project.

Asean Copper holds a 40 per cent. shareholding in Crescent Mining and Development Corporation ("**CMDC**"), which is incorporated in the Philippines and is the sole holder of Mineral Production Sharing Agreement No. 057-96-CAR (the "**MPSA**") in respect of the Mankayan Project. Asean Copper also holds a 40 per cent. shareholding in Bezant Holdings Inc., which is incorporated in the Philippines and holds the balancing 60 per cent. interest in CMDC, and has an option (scheduled to expire on 30 June 2022) to acquire the balancing 60 per cent. of Bezant Holdings Inc. (together, the "**Asean Copper Ownership Structure**").

The project's MPSA was originally issued for a standard 25 year period, which expires on 11 November 2021, and the current exploration period under the MPSA, which is subject to certain work programme commitments (the "**Exploration Period Requirements**"), is scheduled to expire in April 2020.

The consideration payable by MMIH comprises:

- i) a funding commitment of up to US\$2.25m (approximately £1.82m) to be deployed, *inter alia*, to satisfy the Exploration Period Requirements;
- ii) subject to the MPSA being renewed following completion of the Exploration Period Requirements to the satisfaction of the relevant Philippine authorities, a further funding commitment of up to S\$5.5m (approximately £3.23m) to be applied in undertaking a definitive feasibility study; and
- iii) the issue of S\$10m (approximately £5.87m) of shares in CHX or other listed entity holding MMJV on the Singapore Stock Exchange ("**ListCo**"), subject to successful completion of the abovementioned RTO Transaction.

The funding commitments in i) and ii) collectively are the "**Total Funding Commitment**". Further information on the Proposed Transaction is set out below.

**Laurence Read, CEO of Bezant, commented:**

*"The Mankayan Project is a significant copper-gold property and this agreement enables us to secure funding to progress the project whilst generating value for the Company and its shareholders going forwards from a 20% shareholding in Asean Copper and a potential additional indirect minority interest in the project via a shareholding in a Singapore listed entity.*

*If Bezant's shareholders duly approve the Proposed Transaction at the requisite general meeting, which will be convened shortly, we look forward to working with MMIH to progress operations and new exploration opportunities at Mankayan as MMIH continues its preparations in respect of the proposed listing of MMJV on the Singapore Stock Exchange in the RTO Transaction."*

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**Background to and rationale for the Proposed Transaction**

As announced previously, the Company has for some time been seeking a strategic/funding partner to progress its Mankayan Project, a major copper-gold porphyry deposit located on the Northern Luzon Island of the Philippines. The Proposed Transaction, which is, *inter alia*, subject to the approval of Bezant's shareholders at a duly convened general meeting, is the culmination of a comprehensive process to secure such a partner. In light of the level of investment required to fulfil the committed work programme and future development of the project, the Board of Bezant ("**Board**") views this transaction as being the best option to secure medium to long term value from the Mankayan Project for the Company and its shareholders. Following satisfaction of the relevant conditions precedent, including approval by Bezant's shareholders, Bezant will retain a 20 per cent. shareholding in Asean Copper ("**Bezant's Ongoing Investment**") and thereby a direct interest in the Mankayan Project. Following all conditions being satisfied, including the RTO Transaction, Bezant will also be issued with equity in the ListCo with a value of S\$10m (approximately £5.9m), which is significantly higher than the Company's prevailing market capitalisation.

The Board believes that the Proposed Transaction with MMIH, a company which has assembled a portfolio of mining projects within the Philippines and which has made significant funding

commitments in relation to the Mankayan Project, will secure the future of the project by providing the funding required to satisfy the licence's current work commitments, and that the Mankayan Project should also ultimately benefit from the publicly quoted status of ListCo, in which Bezant will hold a minority interest, on the Singapore Stock Exchange subject to successful completion of the RTO Transaction. Furthermore, the introduction of a strategic partner at the asset level avoids the excessive dilution that would otherwise have arisen for Bezant's shareholders should the Company have sought to raise sufficient equity funding from the UK's capital markets.

## Further Information on the Proposed Transaction

**AIM Rule 15 and General Meeting:** In accordance with AIM Rule 15, the Proposed Transaction will constitute a fundamental change of business for the Company and will therefore require the approval of shareholders at a duly convened general meeting. Accordingly, the Company will shortly be publishing a circular, incorporating a notice of general meeting, which will include customary salient information in relation to the Proposed Transaction (the "**GM Notice**").

**Conditions Precedent to the Proposed Transaction:** Completion of the Proposed Transaction ("**Completion**") is conditional upon, *inter alia*, the following conditions precedent (the "**Conditions Precedent**"):

- (i) the approval of the Company's shareholders at a duly convened general meeting (the "**Bezant GM**");
- (ii) MMIH, within 5 business days of Bezant meeting all regulatory requirements for the Proposed Transaction, amending its existing RTO Transaction agreements with CHX to include the Acquisition and specifically to include the completion of the Acquisition as a condition precedent to the completion of the RTO Transaction's sale and purchase agreement;
- (iii) MMIH not having given notice two business days before the date of the Bezant GM that its due diligence has not satisfied itself as to the validity of the ownership by CMDC of the MPSA and the Asean Copper Ownership Structure; and
- (iv) other customary closing conditions for a transaction of this nature.

The Conditions Precedent are required to be satisfied or waived by the longstop date, being 40 days from the Transaction Date or such later date as agreed between the parties (the "**Longstop Date**").

**Future management of Asean Copper and ListCo:** Upon Completion, MMIH will be responsible for the day to day management and control of Asean Copper and the Mankayan Project, but pursuant to a joint venture agreement to be entered into between Bezant and MMJV, Bezant will have information sharing and certain other rights to ensure that it can manage Bezant's Ongoing Investment. The Company has no rights to participate in the management of MMIH, MMJV or ListCo. MMIH have indicated that they may, at their sole discretion, invite Laurence Read and /or another Bezant Board member to join the board of ListCo in the future as a non-executive director and/or to act as an adviser to assist with project continuity and in light of their experience with publicly listed resource companies, however there is no certainty that any such appointment(s) will be made and no agreement regarding the terms of any such appointment(s).

**Background on MMIH and MMJV:** MMIH and MMJV are private companies incorporated in Singapore. MMIH owns the entire issued share capital of MMJV. On 25 March 2019, CHX and MMIH announced on the SGX that they had entered into an agreement for the RTO Transaction. As set out in that announcement, it is intended that MMJV will hold two joint venture companies (the "**JVs**"), each of which will respectively own the following gold and copper mine concessions located in the Philippines:

- (a) an early stage gold mine project comprising 3,619.10 hectares located in the towns of Cordon and Diadi in the provinces of Isabela and Nueva Vizcaya, Philippines (the "**Luzon Project**"), pursuant to a joint venture agreement dated 19 December 2018 between KC Development Phils., Inc. and an MMIH group company; and
- (b) a brownfield gold mine project comprising 761.4009 hectares located in the province of Misamis Oriental, Philippines (the "**Mindanao Project**"), pursuant to a joint venture agreement dated 6 March 2019 between Wolfland Resources Inc., and an MMIH group company.

Upon completion of the RTO Transaction, MMJV will own and control a majority stake in each of the Luzon Project and the Mindanao Project. Under the terms of the RTO Transaction, CHX agreed to take reasonable steps to procure that other assets that may be held by MMJV be included into the RTO Transaction, and to enter into such supplemental agreement(s) as necessary in this regard.

**Background on China Hongxing Sports Limited:** CHX, incorporated in Bermuda, is a public company listed on the SGX. Its shares are currently suspended pending the successful completion of the abovementioned RTO Transaction or a substantial acquisition which will allow it to meet the requirements of a new listing pursuant to the relevant SGX listing rules.

**Financial information relating to Asean Copper:** Table One below shows the consolidated assets and liabilities of Asean Copper, CMDC and Bezant Holdings Inc. (together, the "**Project Holding Companies**" or the "**Asean Copper Group**") recorded in the Bezant group's accounts, alongside those of the Bezant group, as at 30 June 2019, being the last available unaudited published balance sheet, and the loss attributable to the Asean Copper Group and the Bezant group for the year ended 31 December 2018, being the Company's last available published annual results.

**Table One: Financial Information**

	<b>Asean Copper Group</b> £000s	<b>Bezant Group</b> £000s
<b>Total Assets as at 30 June 2019</b>	369	5,262
<b>Total Liabilities as at 30 June 2019</b>	-	(92)
<b>Net Assets as at 30 June 2019</b>	369	5,170
<b>Loss for the year ended 31 December 2018</b>	(206)	(1,187)

**Financial information relating to MMJV:** MMJV is a special purpose vehicle incorporated in Singapore on 22 March 2019 to undertake the RTO Transaction. As MMJV is a newly incorporated company, it does not have any material track record and to date its expenses have been borne by MMIH.

**Financial information relating to CHX:** CHX has reported to the Singapore Stock Exchange that as at 31 August 2019, CHX had unaudited total assets comprising cash and bank balances of approximately RMB1,359,000 (approximately £154k) and liabilities comprising accruals of approximately RMB3,750,000 (approximately £425k) and consequently a net liabilities position of approximately RMB2,391,000 (approximately £271k).

**Consideration Shares:** Bezant will only receive the Consideration Shares if the RTO Transaction is successfully completed. Pursuant to the terms of the RTO Transaction announced on 25 March 2019, the all share consideration payable by CHX for MMJV shall be the lower of S\$100m and the valuation set by an independent qualified person less a discount to be agreed between the parties prior to completion. As announced by CHX on 12 April 2019, S\$10 million is the perceived value of CHX prior to the RTO Transaction agreed between MMIH and CHX on a willing buyer, willing seller basis. Accordingly, it is currently anticipated that the Consideration Shares will represent a minority interest in ListCo.

The Consideration Shares will be subject to a lock-in or trading restriction for the shorter of (i) six months from the date of the Proposed Listing (as defined below) and (ii) the trading restriction period of the MMIH shareholders receiving ListCo shares (the "**Moratorium Period**"). Subject to the terms of the trading restriction, the Company will hold the Consideration Shares as investments held for resale with the net proceeds of future sales expected to provide additional working capital for the group.

**Event of non-renewal of the MPSA:** The MPSA is currently scheduled to expire on 11 November 2021, for which the parties currently intend to seek a renewal (the "**MPSA Renewal**"), and has current expenditure requirements under the Required Program (including corporate costs) of US\$2.25m (approximately £1.82m). In the event of the non-renewal of the MPSA for reasons outside the control of MMIH or Bezant (an "**Inadvertent Non-Renewal**") then MMIH will (a) if the Inadvertent Non-Renewal occurs during the aforementioned Moratorium Period, have the right to clawback all of the Consideration Shares and (b) if the Inadvertent Non-Renewal

occurs after the Moratorium Period have the right to clawback such number of the Consideration Shares that Bezant then still owns.

**Joint Venture Agreement:** At Completion, MMIH and Bezant will enter into a joint venture agreement to govern their relationship as joint venture partners including in relation to pre-emption rights, dilution, divestment plans, and standard mining industry clauses relevant to joint venture arrangements similar to the nature of the Proposed Transaction. The parties have agreed to use their best endeavours to agree on the final form of the joint venture agreement prior to the Long-Stop Date.

**Bezant's Future Plans:** Following successful completion of the Proposed Transaction, Bezant will continue to operate as a copper-gold exploration and development company with an attractive portfolio of assets comprising its retained interest in the Mankayan Project, wholly owned Eureka Project in Argentina and conditional option over a 50 per cent. interest in the Buffalo Project in Zambia.

## Key Terms of the Transaction Agreement

<b>1. Consideration</b>	<p>In consideration of the Acquisition, MMIH shall provide the following:</p> <ul style="list-style-type: none"><li>a. funding of up to US\$2.25m for the required program for the MPSA Renewal and the associated corporate costs of the Project Holding Companies (the "<b>Required Program</b>"). MMIH will ensure that funds are provided and made available for all necessary activities under the Required Program, to be completed in accordance with the relevant timelines of the Required Program and expensed so as to be qualifying expenditure under the Required Program (the "<b>Initial Funding Commitment</b>");</li><li>b. funding of a definitive feasibility study up to S\$5.5m (approximately £3.23m) (the "<b>DFS Funding Commitment</b>"); and</li><li>c. conditional upon and as soon as reasonably practicable after the completion of the RTO Transaction or similar initial public offering of MMJV on the Singapore Stock Exchange (the "<b>Proposed Listing</b>"), Bezant shall be issued the equivalent of S\$10m in listed shares of CHX (or such entity holding MMJV for the Proposed Listing) ("<b>ListCo</b>"), with such number of shares to be calculated in accordance with the ListCo listing share price at the date of the Proposed Listing (the "<b>Bezant Listco Shares</b>"). The Bezant Listco Shares shall be subject to a trading restriction for the shorter of (i) six months from the date of the Proposed Listing and (ii) the trading restriction period of the MMIH shareholders receiving ListCo shares (the "<b>Moratorium Period</b>").</li></ul>
<b>2. Bezant's Commitments</b>	<ul style="list-style-type: none"><li>a. Bezant shall, within 3 days of fulfilment of the Conditions Precedent, procure the issue to MMJV of shares representing 80 per cent. of the issued share capital of Asean Copper as enlarged by the issue of Asean Copper shares to MMJV (the "<b>MMJV Shares</b>") and assign such documents and rights to MMIH as may be reasonably determined by MMJV to enable MMJV to effectively own the MMJV Shares and the related interest in the Mankayan Project (the "<b>Acquisition</b>");</li><li>b. Bezant agrees that MMIH shall not be responsible for any liabilities accrued by the Project Holding Companies prior to the date of the Acquisition that are not included in the project budget attached to the Transaction Agreement, and undertakes to indemnify and hold harmless MMIH for all costs, damages, expenses and losses incurred by MMIH in relation to any claims for such liabilities;</li><li>c. As at 30 June 2019, the CMDC accounts reflect an amount of PHP267,663,743 (approximately £4.18m) owed by CMDC to Bezant which is interest free with no fixed terms of repayment (<b>Bezant's Loan to CMDC</b>). Bezant agrees that once MMIH has paid US\$1m (approximately £811k )of the Initial Funding Commitment then</li></ul>

Bezant will assign Bezant's Loan to CMDC in favour of Asean Copper for US\$1.

- d. Bezant undertakes that prior to the fulfilment of Bezant's obligations under the Transaction Agreement it will not sell its shares in Asean Copper; and procure that (i) Asean Copper and Bezant Holdings will not dispose of their respective shareholdings in CMDC and (ii) the Project Holding Companies will not issue any new shares.

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**3. Conditions  
Precedent:**

Completion of the Proposed Transaction is conditional upon:

- i. Bezant obtaining the approval and ratification of the Transaction Agreement by Bezant's shareholders at a general meeting to be called and held within 26 days of the date of the Transaction Agreement;
- ii. Bezant obtaining all applicable regulatory approvals for the Transaction;
- iii. MMIH within 5 business days of Bezant obtaining the approvals listed in ii) above entering into an amendment or supplemental agreement or an amendment and restatement agreement (or such other form as may be effective) to amend the Sale and Purchase Agreement entered into between CHX, MMIH and MMJV on 25 March 2019 for the purposes of including the Acquisition and the terms of the Transaction Agreement including but not limited to MMIH's Commitments as part of the Proposed Listing (the "**RTO SPA**"), and to include the completion of the Acquisition as a condition precedent to the completion of the RTO SPA;
- iv. MMIH not having given notice two business days before the date of the Bezant GM that its due diligence has not satisfied itself as to the validity of the:
  - a. ownership by CMDC of the MPSA; and
  - b. the Asean Copper Ownership Structure; and
- v. Bezant providing MMIH with a certificate of incumbency reflecting the latest shareholding details of Asean Copper to be dated no less than **two** business days from the date of the Transaction Agreement.

In the event that all of the Conditions Precedent are not fulfilled within 40 days of the date of the Transaction Agreement or such later date agreed by the parties (the "**Long-Stop Date**"), the Transaction Agreement shall forthwith terminate, and neither party shall have any claim against the other party whatsoever.

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**4. Funding of DFS**

As part of the Proposed Transaction and conditional upon the MPSA Renewal, MMIH will complete a definitive feasibility study ("**DFS**") on the Mankayan Project. Should the DFS expenditure exceed the S\$5.5m (approximately £3.23m) to be provided by MMIH as part of its Total Funding Commitment, both Bezant and MMIH will be required to fund the excess in accordance with their respective shareholdings in Asean Copper. Should Bezant not fund its portion of the required DFS expenditure, Bezant's interest in Asean Copper shall be diluted in accordance with industry standard dilution terms to be agreed between the parties in good faith.

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**5. Representations  
and warranties**

Bezant represents and warrants to MMIH that it is the sole legal and beneficial owner of 100% of the issued shares of Asean Copper and that it will at Completion be able to arrange and procure, the issue of the MMJV Shares to MMIH on the terms of the Transaction Agreement.

MMIH represents and warrants to Bezant that it will at the relevant time have sufficient available funds to meet the Total Funding Commitment in

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**6. CMDC Option exercise or assignment**

If for any reason Asean Copper's option to acquire Bezant Holding Inc's shares in CMDC (the "**CMDC Option**") is exercised or assigned in accordance with its terms to suitably qualified *bona fide* purchasers (the "**CMDC Option Exercise**"), then all costs and expenditure to exercise the CMDC Option including the exercise price of PHP5.4 million (approximately £85,000) (the "**Exercise Price**") plus 12% simple interest per annum on the Exercise Price from August 2019 (the "**Option Exercise Costs**") shall be shared by the parties, in proportion to their shareholdings in Asean Copper at the date of the CMDC Option Exercise provided that:

- a) If the CMDC Option Exercise occurs prior to completion of the Proposed Listing, then in the case of Bezant, its portion of the Option Exercise Costs shall be deducted from the Bezant Listco Shares to be received in connection with the Proposed Listing; and
- b) If the CMDC Option Exercise occurs after completion of the Proposed Listing, the Option Exercise Costs of Bezant shall be repaid to MMIH at the soonest possible opportunity from whatever proceeds or funds become available from the Mankayan Project, prior to Bezant receiving such proceeds.

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**7. Undertakings in the event of non-renewal of the MPSA**

Should the MPSA (i) not be renewed by the relevant authorities in the Philippines for any reasons outside the control of MMIH or Bezant (which would not include a failure by MMIH to pay the Initial Funding Commitment or the DFS Funding Commitment); or (ii) be returned without consideration to the Philippines government or transferred by the Philippines government to a third party not related to the parties (an "**Inadvertent Non-Renewal**"), then MMIH will:

- i) if confirmation of the Inadvertent Non-Renewal is within the Moratorium Period concerning the Bezant Listco Shares, have the right to clawback all of the Bezant Listco Shares save if the Inadvertent Non-Renewal is under appeal (an "**Appeal Process**") in which case the Moratorium Period will be extended pending the result of the Appeal Process; or
- ii) if confirmation of the Inadvertent Non-Renewal is after the Moratorium Period, have the right to clawback such Bezant Listco Shares that Bezant then owns ("**Bezant's Remaining ListCo Shares**") save that if there is an Appeal Process Bezant's Remaining ListCo Shares should be held in escrow (in such form and arrangement as may be reasonably satisfactory to MMIH) pending the outcome of the Appeal Process,

in both cases without any compensation or the minimum nominal consideration permitted under applicable law, whether by way of a share buy-back or otherwise as permitted under applicable laws and regulations.

In the event of an Inadvertent Non-Renewal, MMIH and Bezant mutually confirm that neither entity, nor its directors, management team, or affiliates, or any future partners, will acquire the project and/or property for a period of five years after such notification.

The Inadvertent Non-Renewal provisions shall not apply if the MPSA is converted into or replaced by either i) a Financial and Technical Assistance Agreement or ii) any other agreement which under Philippine law allows the Mankayan Project to be developed into a mine.

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**8. Termination:**

- a) The Transaction Agreement may be terminated by the written consent of the Parties (an "**Agreed Termination**") in which event the Agreed Termination shall be on the basis agreed by the parties.



- b) If the Proposed Listing has not occurred by 31 December 2020 (or such later date as the parties may agree) (the "**IPO Date**") but MMIH is meeting the Initial Funding Commitment and, once applicable, the DFS Funding Commitment then Bezant does not have the right to terminate the Transaction Agreement.
- c) Either Party (the "**Initiating Party**") may terminate the Transaction Agreement at any time by notice in writing if:
  - i) the other Party (the "**Breaching Party**") is in breach of any of its obligations under the Transaction Agreement and (if the breach is capable of remedy) fails to remedy the breach within 30 days after receipt of notice in writing from the Initiating Party giving particulars of the breach and requiring the Breaching Party to do so;
  - ii) a resolution is passed or an order is made for the winding-up (or equivalent order in the relevant jurisdiction) of the other party otherwise than for the purposes of a *bona fide* scheme of solvent amalgamation or reconstruction and in such manner that the entity resulting from the amalgamation or reconstruction effectively agrees to be bound by or assume the obligations imposed on the other party under the Transaction Agreement; or
  - iii) the other party becomes subject to an administration order; a liquidator, receiver or administrative receiver or similar is appointed over, or an encumbrancer takes possession of, any of the other party's property or assets; the other party enters into an arrangement or composition with its creditors; the other party ceases or threatens to cease to carry on business; the other party becomes insolvent; or the other party ceases to be able to pay its debts as they fall due.
  - iv) Upon the termination of the Transaction Agreement pursuant to clause 8(c)i) above, in the event MMIH fails to pay 90 per cent. of the Initial Funding Requirement by 30 June 2020 notwithstanding the required deadlines as set out in the project budget as agreed by the parties, Bezant shall have the right to require MMIH to transfer the MMJV Shares back to Bezant at nil consideration by serving a written notice to MMIH. Any payment of the Initial Funding Commitment made by MMIH up until such clawback shall be an interest free loan to CMDC which is repayable on the same terms as Bezant's Loan to CMDC and will rank *pari passu* with Bezant's Loan to CMDC.
- d) Any termination of the Transaction Agreement shall be without prejudice to any rights accrued in favour of a party in respect of any breach committed prior to the date of such termination by the other party including (without limitation) the breach giving rise to termination.

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#### **Joint Venture Agreement ("JVA") provisions**

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A. Board of Directors	Bezant and MMJV shall be entitled to appoint a director according to their respective shareholding proportions, provided that Bezant shall at all times be entitled to appoint at least one director. The management of Asean Copper shall be vested in the board of directors of Asean Copper.
B. Financing Obligations	To the extent that Asean Copper is unable, having used reasonable endeavours, to meet the financing needs required to carry out any projects, following the initial obligations of MMIH to fund the project prior to and post the renewal of the MPSA, under the annual business plan approved by the board of directors, each party shall be required to provide funding by way of shareholder loans to Asean Copper in accordance with their respective shareholding proportions or be diluted in accordance with industry standard dilution terms to be set out in the JVA.
C. Information Rights	Bezant shall be entitled to receive information to comply with its ongoing AIM disclosure obligations including but not limited to;



- a. quarterly management accounts within 14 days of the end of each calendar quarter and annual accounts within 3 months of each calendar year end;
- b. Copies of all Mankayan Project reports prepared by external consultants;
- c. Exploration and Community development & environmental work programme reports;
- d. Monthly reports to be provided within 10 days of each month of the MMIH expenditure in accordance with MMIH's Total Funding Commitment under the Transaction Agreement between MMIH and Bezant.

D. Pre-emption rights	No transfers of shares in Asean Copper are permitted except to i) permitted transferees; ii) third party sales made after the Proposed Listing in accordance with a right of first refusal and if the right of first refusal is not taken up Bezant shall have tag along rights and MMIH (or ListCo) shall have drag along rights; iii) ListCo by MMIH prior to the IPO Date in which case Bezant will waive its pre-emption rights provided that the sale or transfer by MMIH is consistent with the Transaction Agreement.
E. Allocation of sale proceeds	<p>If shares in Asean Copper are sold to a third party then Bezant shall be entitled to receive X where:</p> <p>Y= Bezant's then shareholding in Asean Copper  Z= The total proceeds payable to i) the non-Bezant shareholders of Asean Copper plus ii) any CMDC Shareholders other than Asean Copper  <math>X = Y * Z</math></p> <p>It is agreed that for the purpose of this paragraph a sale by ListCo to MMIH prior to the IPO Date shall not be considered a third party sale provided that the sale or transfer by MMIH is consistent with the Transaction Agreement.</p>
F. Reserved Matters	<p>Asean Copper shall not carry out the following actions without the approval of Bezant:</p> <ol style="list-style-type: none"> <li>(i) acquisition of new projects or disposal of existing projects including shareholdings in CMDC and Bezant Holdings Inc. or the CMDC Option;</li> <li>(ii) variation of any rights attaching to any shares in the capital of Asean Copper;</li> <li>(iii) passing any resolution for its winding up or present any petition for its administration (unless it has become insolvent); and</li> <li>(iv) materially changing the nature of its business.</li> </ol>
G. Protection of Investment	The parties agree to work together in good faith to protect the interests of Asean Copper in the Mankayan Project.

A further announcement(s) will be made, as appropriate, in due course.

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014.*

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