

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this document and accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**ALTONA ENERGY Plc**

*(Registered in England and Wales with registered number 05350512)*

**Proposals relating to a sub-division of the ordinary shares of 10p each of the Company and an increase in the authority of the directors to allot equity securities**

Notice of a General Meeting of Altona Energy PLC, to be held at the offices of Alfred Henry Corporate Finance Ltd, Finsgate, 5-7 Cranwood Street, London EC1V 9EE on Thursday 1<sup>st</sup> August 2019 at 11.30 a.m. to consider the Resolutions is set out on pages 6 and 7 of this document.

To be valid, the Form of Proxy accompanying this document for the General Meeting (and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority) should be returned not less than 48 hours (excluding weekends and public holidays) before the time and date for which the General Meeting is convened, either by post or by hand (during normal business hours only) or by fax or email as specified on page 8 of this document to The Company Secretary, Altona Energy Plc, c/o Share Registrars Ltd, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR.

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## EXPECTED TIMETABLE

Latest time and date for receipt of Forms of  
Proxy for General Meeting 11.30 a.m. on Tuesday 30<sup>th</sup> July 2019  
General Meeting 11.30 a.m. on Thursday 1<sup>st</sup> August 2019

### *Note:*

The dates set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates will be notified through the Regulatory Information Service.

## DEFINITIONS

The following words and expressions have the following meanings in this document:

Board	the board of directors of the Company
Capital Re-organisation	the re-organisation of the Company's share capital to be effected by Resolution 1
Company	Altona Energy Plc
Director	a director of the Company
Existing Ordinary Shares	ordinary shares of 10p each in the capital of the Company
General Meeting	the general meeting of the Company convened for 1 <sup>st</sup> August 2019 by the Notice of Meeting on pages 6 and 7 of this document
New Ordinary Shares	the ordinary shares of 1p each in the capital of the Company which result from the sub-division of the Existing Ordinary Shares to be effected by Resolution 1
Resolutions	the resolutions set out in the Notice of General Meeting on page 6 and 7 of this document

## LETTER FROM THE CHAIRMAN OF THE COMPANY

**Registered Office:**  
16 Finborough Road  
London  
SW10 9EQ

Zhang Qinfu (Chairman and Chief Executive)  
Phillip Sutherland (Non-Executive)  
Ma Chi (Non-Executive)  
Christian Taylor-Wilkinson (Non-Executive)

16th July 2019

Dear Shareholder,

### **Recommended proposals relating to a re-organisation of the Company's share capital and increase in the Directors' authority to allot equity securities**

The purpose of this document is to explain the proposed Capital Re-organisation and the Resolutions.

#### **Reason for the Capital Re-organisation**

The nominal value of the Company's ordinary shares is currently 10p per share. Recently on some trading days, the bid price of the ordinary shares on the NEX Growth Market has been close to or equal to the 10p nominal value.

The Directors are seeking increased authority to allot equity securities (an expression which includes ordinary shares) for the reasons explained in this Circular

As a matter of company law, shares cannot be issued at less than their nominal value. It is accordingly necessary, to effect a capital re-organisation which will have the effect of significantly reducing the nominal value of the ordinary shares.

It should be emphasised that the number of ordinary shares held by each shareholder will be unaffected.

The proposed re-organisation will sub-divide each existing 10p ordinary share into one ordinary share with a nominal value of 1p and one deferred share with a nominal value of 9p. All the value originally subsisting in the existing 10p ordinary shares will as a result be transferred into the new 1p ordinary share. The deferred shares will because of the extremely limited rights attached to them, be effectively worthless and can for all practical purposes be disregarded by shareholders. Unlike the new 1p ordinary shares, the deferred shares will not be listed on the NEX Growth Market or any other market.

No new share certificates will be issued as a result of the capital reorganisation and existing share certificates will remain valid. The Registrars will arrange for the holdings of shares in uncertificated form in CREST, to be adjusted in accordance with Resolution 1, after that resolution is passed. Share certificates for deferred shares will not be issued.

#### **Increase in the Directors' authority to allot equity securities and dis-application of pre-emption rights**

By resolutions 3 and 4 the Directors are seeking increased authority to allot equity securities (a term which includes the new ordinary shares) up to a nominal value of £100,000, and to dis-apply statutory pre-emption rights to the allotments so authorised.

If these two resolutions are passed, the Directors will have authority to issue up to 10,000,000 New Ordinary Shares of 1p each. Were this authority to be used in full, holders of Existing Ordinary Shares would be affected by dilution to the extent of approximately 87 per cent. It is not however, the present intention of the Directors to use the full increased authority immediately, but rather in tranches as the Company's investment opportunities are clarified.

#### **Reasons for the proposed increase in authority to allot**

As announced by the Company on 6 June 2019, it has entered into a Memorandum of Understanding ("MoU") to acquire an interest in an operating and profitable Chinese vanadium mining company Shaanxi Qianyan Vanadium and Magnesium Mining Industry Ltd Company, ("Shaanxi Mining"), which is partially owned by Altona's Chairman, Zhang Qinfu.

In the same announcement the Company stated its intention to return its listing to the London Stock Exchange, either via an admission to AIM or to the Standard List of the Main Market, which it plans to carry out at the same time as the acquisition.

The principal purpose of the proposed increased authority to allot shares, is to raise working capital for the Company and to fund the essential due diligence process required to determine whether investment in Shaanxi Mining is appropriate for the Company and if so, on what terms.

Funds raised will therefore, among other things, be used to pay fees to the various advisers it will need to assist with the due diligence process and, if the outcome of that process is positive, fees in connection with negotiation of the investment and associated funding.

If both the due diligence process and preliminary negotiations regarding investment by the Company are positive, the Directors propose to investigate the possibility of re-admitting the Company's shares to trading on AIM or obtaining a Standard Listing on the Main Market. It is envisaged that an AIM admission would cost in the region of £400,000.

The Board wishes to remind shareholders that it has been informed by the owners of Shaanxi Mining that the mine reported a net profit in 2018 of approx. £2.3 million. Therefore, should Altona successfully complete the acquisition of a significant shareholding in Shaanxi Mining, it will become the partial owner of a profitable mining company currently undergoing expansion of its mining operations.

If for any reason investment by the Company in Shaanxi Mining is not appropriate, the Directors intend to investigate other opportunities in the resources sector.

#### **The Resolutions**

The purpose and effect of the Resolutions may be summarised as follows:

Resolution 1 implements the Capital Re-organisation by sub-dividing the Existing Ordinary Shares into one New Ordinary Share of 1p and one deferred share of 9p;

Resolution 2 sets out the rights and restrictions applicable to the deferred shares;

Resolution 3 gives the Directors new authority to allot equity securities (meaning ordinary shares and instruments which entitle the holder to acquire ordinary shares), up to an aggregate nominal amount of £100,000;

Resolution 4 authorises the Company to buy all of the deferred shares in issue for a total of £1 (as distinct from £1 for each deferred share), and to cancel them. It will not be possible to

exercise this right unless and until New Ordinary Shares are issued to an extent such that the aggregate nominal value of the issued share capital is not less than £50,000 disregarding the deferred shares. Provisions of the Companies Act 2006 impose this requirement;

Resolution 5 dis-applies statutory pre-emption rights in relation to ordinary shares authorised to be allotted by Resolution 3.

### **The General Meeting**

Notice of the General Meeting is on pages 6 and 7 of this Circular, and contains the terms of the proposed Resolutions.

### **Action to be taken**

Towards the end of this Circular, shareholders will find a Form of Proxy for use at the General Meeting.

Whether or not you propose to attend the General Meeting, **you are requested to complete and return the Form of Proxy as soon as possible**, and in any event so that it is received **no later than 11.30 a.m. on Tuesday 30th July 2019**. Completion and return of a Form of Proxy will not prevent you from attending the meeting and voting in person should you wish to do so.

### **Recommendation**

The Board consider that the Capital Re-organisation and increase in the Directors' authority to allot equity securities, are in the best interests of the Company.

Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions being proposed at the General Meeting, as they intend to do or procure to be done in respect of their own and their connected persons' beneficial holdings.

Yours faithfully,

**Zhang Qinfu**

**Chairman**

## ALTONA ENERGY PLC

### Notice of General Meeting

Notice is hereby given that a General Meeting of ALTONA ENERGY Plc (the "Company") will be held at the offices of Alfred Henry Corporate Finance Ltd, Finsgate, 5-7 Cranwood Street, London EC1V 9EE at 11.30 a.m. on Thursday 1<sup>st</sup> August 2019 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions 1, 2 and 3 will be proposed as ordinary resolutions, and Resolutions 4 and 5 as special resolutions.

#### Ordinary Resolutions

1 That each of the issued ordinary shares of 10p each in the capital of the Company be and it is hereby subdivided into one Deferred Share of 9p ("Deferred Share"), having the rights and being subject to the restrictions set out in Resolution 2 and one ordinary share of 1p ("New Ordinary Share").

2 THAT conditionally upon the passing of Resolution 1 set out in this Notice the rights and restrictions applicable to the Deferred Shares shall be as follows:

(i) The Deferred Shares shall have:

- (a) no right to receive any dividend or to participate in any distribution made by the Company
- (b) no right to receive notice of or to attend or to vote at any General Meeting of the Company
- (c) the right on a return of assets on liquidation or otherwise to receive out of the assets of the Company available for distribution such sum not exceeding the amount paid up on the Deferred Shares (excluding any premium) as may be available after payment to each of the holders of the New Ordinary Shares of the sum of £10,000 per Ordinary Share held by each such shareholder

(ii) Save in the event of an offer for all the issued Deferred Shares or a purchase of the Deferred Shares by the Company (including for this purpose any person appointed in accordance with paragraph (iii) of this Resolution) a holder of Deferred Shares shall not transfer all or any of his Deferred Shares to another person and any purported transfer shall be void and of no effect.

(iii) The Company shall have the right to purchase, in accordance with the Companies Act 2006 (or any re-enactment thereof) all the Deferred Shares in issue at any time at an aggregate price of £1 out of the profits of the Company which would otherwise be available for distribution or out of the proceeds of a fresh issue of shares. Pending such purchase each holder of Deferred Shares shall be deemed to have irrevocably authorised the Company, at any time:

- (a) to appoint any person to execute (on behalf of the holders of the Deferred Shares) a transfer thereof and/or an agreement to transfer the same for no consideration to the Company or to such a person or persons as the Company may determine as custodian thereof, and
- (b) pending such transfer, to retain any certificate for the Deferred Shares.

- 3 That in substitution for existing authorities, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the “Act”) to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £100,000. The authority referred to in this resolution shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 31 December 2020. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require equity securities to be allotted after the expiry of the authority and the Directors are hereby authorised to allot equity securities in pursuance of such offer or agreement as if the authority had not expired.

**Special Resolutions**

- 4 THAT the purchase by the Company of all the Deferred Shares in issue for an aggregate consideration of £1 (“Consideration”) at any time prior to 1<sup>st</sup> August 2020 is hereby authorised for the purposes of the Companies Act 2006 including without prejudice to the generality of the foregoing, for the purposes of section 694 of the Companies Act 2006 subject to payment of the Consideration out of distributable profits of the Company or the proceeds of a fresh issue of shares made for the purpose of financing the Consideration in accordance with section 692 of the Companies Act 2006.

- 5 That the Directors, pursuant to Section 570 of the Act, be empowered to allot New Ordinary Shares of 1p each in the capital of the Company pursuant to the authority conferred by Resolution 3 as if Section 561 of the Act did not apply to any such allotment provided that this power shall be limited to:

(i) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to the holders of Ordinary Shares in the capital of the Company in proportion (as nearly as may be) to their holdings of such Ordinary Shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and with legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory; and

(ii) the allotment, other than pursuant to (i) above, of equity securities:

(A) arising from the exercise of options and warrants outstanding at the date of this resolution; and

(B) other than pursuant to paragraph 5(i) of this Resolution, up to an aggregate nominal value of £100,000

- and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire on 31 December 2020. 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 are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

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If you are a registered holder of Ordinary Shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided.

This may be sent by fax to 01252 719 232 by email to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com) or by post to:

The Company Secretary  
Altona Energy Plc  
c/o Share Registrars Limited  
The Courtyard  
17 West Street  
Farnham  
Surrey GU9 7DR

The signed proxy must be received no later than 48 hours (excluding any part of a day which is not a working day) before the time of the meeting, or any adjournment thereof.

*Registered office:*  
16 Finborough Road  
London  
SW10 9EQ

*By Order of the Board*  
Orana Corporate LLP  
Company Secretary

16<sup>th</sup> July 2019

## **Notes to the Notice of General Meeting**

### **Entitlement to attend and vote**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting.

### **Appointment of proxies**

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

### **Appointment of proxy using hard copy proxy form**

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:  
completed and signed;

sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or by facsimile transmission to 01252 719 232; and

received by Share Registrars Limited no later than 48 hours (excluding any part of a day which is not a working day) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### **Appointment of proxy by joint members**

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### **Changing proxy instructions**

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Termination of proxy appointments**

9. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding any part of a day which is not a working day) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

### **Issued shares and total voting rights**

10. As at the date of this Notice, the Company's issued ordinary share capital comprised 1,602,434 ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights exercisable as at the date of this Notice is 1,602,434.

**Communications with the Company**

11. Except as provided above, members who have general queries about the Meeting should telephone Christian Taylor-Wilkinson (Director) on 07795-168157 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

**ALTONA ENERGY Plc**  
**FORM OF PROXY FOR USE AT THE GENERAL MEETING**

c/o Share Registrars Limited  
The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR

I \_\_\_\_\_, a Member of **ALTONA ENERGY Plc** (hereinafter referred to as ‘the Company’) and entitled to vote, hereby appoint the Chairman, or \_\_\_\_\_ as my proxy to attend, speak and vote for me and on my behalf at the General Meeting of the Company to be held on 1<sup>st</sup> August 2019 at 11.30 a.m. and at any adjournment thereof.

(Please indicate below how you wish your votes to be cast. If the form of proxy is returned without any indication as to how the proxy should vote on any particular matter, the proxy will vote as they think fit.)

	<b>Resolutions</b>	<b>FOR</b>	<b>AGAINST</b>	<b>WITHHELD</b>
Resolution 1	To subdivide the 10p ordinary shares into one 1p new ordinary share and one 9p deferred share			
Resolution 2	To specify the rights and restrictions applicable to the deferred shares			
Resolution 3	To authorise the Directors to allot equity securities up to a maximum aggregate nominal value of £100,000			
Resolution 4	To authorise the purchase of the deferred shares by the Company			
Resolution 5	To dis-apply pre-emption rights in respect of the shares authorised to be allotted pursuant to Resolution 3			

I/We authorise my/our proxy to act at his/her discretion in relation to any other business arising at the General Meeting (including in respect of the question whether to adjourn such meeting) and at any adjournment of such General Meeting.

Signature
Date
Full name
Address

**NOTES**

1. Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, speak and vote at the Meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend, speak and vote on his/her behalf.
2. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please insert his/her name and delete “the Chairman of the Meeting or”.

3. Please indicate how you wish your proxy to vote in the For, Against, Withheld boxes above. Unless otherwise instructed the person appointed a proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting on any particular resolution as he/she thinks fit.
4. A corporation must seal this form of proxy or have it signed by an officer or attorney or other person authorised to sign.
5. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, members will be entitled to attend, speak and vote at the meeting if they are registered on the Company's register of members 48 hours excluding weekends and public holidays, before the time appointed for the meeting or any adjournment thereof.
7. To be valid this form of proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must reach Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR not later than 48 hours before the time of the Meeting (excluding any part of a day which is not a working day). Lodgement of a form of proxy does not preclude a member from attending the Meeting and voting in person.
8. Any alteration to this form must be initialled.
9. The completion and return of a proxy card will not affect the right of a member to attend, speak and vote in person at the meeting convened by this notice.