

**ENRC Africa Holdings Limited (formerly  
known as Central African Mining &  
Exploration Company PLC)**

(Registered Number 04232247)

**Financial Statements for the year ended 31 March 2010**



<b>Contents</b>	<b>Pages</b>
Directors' Report	2 - 4
Auditors' Report	5
Profit and Loss Account	6
Statement of total recognised gains and losses	7
Balance Sheet	8
Notes to the Financial Statements	9 - 21

4232247

DATED 10<sup>th</sup> OCTOBER 2008

**KARA ENTERPRISES LIMITED**

- and -

**CENTRAL AFRICAN MINING & EXPLORATION COMPANY PLC**

**SHARE SALE AGREEMENT**

**WE HEREBY CERTIFY THIS TO BE  
A TRUE COPY OF THE ORIGINAL**

SALANS  
MILLENNIUM BRIDGE HOUSE  
2 LAMBETH HILL  
LONDON EC4V 3AJ  
TEL 020 7429 6000  
FAX 020 7429 6001  
DX LDE 196 CHANCERY LANE

*Ch*  
CARIS OCM/RC  
DIRECTOR  
24-10-08

SATURDAY



RM

"R20YD49E"

25/10/2008

120

COMPANIES HOUSE

A TRUE COPY OF THE ORIGINAL  
WE HEREBY CERTIFY THIS TO BE

1. BY THE SIGNATURE OF THE  
2. OFFICER IN CHARGE  
3. OF THE OFFICE  
4. ON THE DATE  
5. 1/27/2003

THIS AGREEMENT is made this 10<sup>th</sup> day of October 2008

**BETWEEN**

- (1) **KARA ENTERPRISES LIMITED**, a company incorporated in British Virgin Islands with company number 1499159 and whose registered office is situated at Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands (the "Seller"), and
- (2) **CENTRAL AFRICAN MINING & EXPLORATION COMPANY PLC**, a company incorporated in England and Wales with company number 04232247 and whose registered office is situated at Millennium Bridge House, 2 Lambeth Hill, London, EC4V 4AJ ("the Company")

**INTRODUCTION**

- (A) The Seller is the sole legal and beneficial owner of 50,000 shares of nil par value each (the "Sale Shares") representing 100% of the issued share capital and voting power in Cofiparinter Limited, a company incorporated in British Virgin Islands with company number 1025630 and whose registered office is situated at Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands ("Cofiparinter")
- (B) Cofiparinter is the sole legal and beneficial owner of 1,250 shares representing 100% of the entire issued share capital and voting power in Compagnie Financiere de Participations Internationales SA, a company incorporated under the laws of Luxembourg (registered at the Registrar of Commerce and Companies of Luxembourg under number B 55802) with head offices at 3B, boulevard du Prince Henri, L-1274 Luxembourg, Grand Duchy of Luxembourg ("Cofiparinter SA")
- (C) Cofiparinter SA is the legal and beneficial owner of 500 shares in the Societe Miniere of Kabelela and Kipese Sprl, a company incorporated and registered in the Democratic Republic of Congo (registration number NRC 8346) whose registered office is situated at Avenue Kapenda Commune de Lubumbashi, Lubumbashi, Democratic Republic of Congo ("SMKK"), such ownership representing 50% of the entire issued share capital and voting power in SMKK. SMKK is the legal and beneficial owner of the Licences
- (D) The Seller and the Company have agreed to enter into this Agreement for the sale and purchase of Cofiparinter on and subject to the terms and conditions of this Agreement

**OPERATIVE PROVISIONS**

**1 Interpretation**

1.1 In this Agreement unless the context otherwise requires the following words and expressions have the meanings shown

"AIM"	means the AIM Market of London Stock Exchange plc,
"Business Day"	means a day other than a Saturday or Sunday or public holiday in England and Wales,
"CAMEC Shares"	means ordinary shares of 0.1p each in the capital of the Company,

<b>"Conditions Precedent"</b>	means the conditions precedent to completion set out in Schedule 2,
<b>"Completion"</b>	means the performance by the parties of the obligations assumed by them under Clause 5 of this Agreement,
<b>"DRC"</b>	means the Democratic Republic of Congo,
<b>"Encumbrance"</b>	means and includes any interest or equity of any person (including, without limitation, any right to acquire, option, right of pre-emption or right of conversion) or any mortgage, charge, pledge, lien, assignment or any other encumbrance, priority or security interest or arrangement of whatever nature over or in the relevant property,
<b>"Licences"</b>	means the mining rights for the prospecting, exploration and exploitation of substances, granted in the mining areas of Kabolela and Kipese, definitively, and simply ceded, by means of Concession nos 240, known as Kipese, and 241, known as Kabolela, which were validated and converted, respectively, into Exploitation Licences Nos 495(PE 495) and 496 (PE 496), located in the prospecting Zone called "Central-East Zone", in accordance with Articles 337 and 339 of the Mining Code These Exploitation Licences are valid until 18 December 2019 and are renewable thereafter for successive periods of 15 years,
<b>"Mining Review"</b>	means the review of mining licences and concessions in the DRC carried out by the DRC mining commission,
<b>"Sale Shares"</b>	means the 50,000 ordinary shares of nil par value each in the capital of the Cofiparinter Limited valued at \$85,000,000, representing 100% of the issued share capital of Cofiparinter Limited,
<b>"Warranties"</b>	means the warranties, representations and undertakings contained or referred to in clause 4 and Schedule I,
<b>"Takeover Code"</b>	means the City Code on Takeovers and Mergers, as administered by the Panel on Takeovers and Mergers of England and Wales,

- 12 In this Agreement, a reference to
- 12.1 a person includes a reference to a body corporate, association or partnership,
  - 12.2 a person includes a reference to that person's legal personal representatives and successors, and
  - 12.3 a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause or paragraph of or schedule to this Agreement
- 13 The headings in this Agreement do not affect its interpretation
- 2 **Sale and purchase of the Sale Shares**
- 2.1 The Seller shall sell the Sale Shares and the Company shall purchase the Sale Shares on the terms and subject to the conditions of this Agreement
- 2.2 The Seller shall sell the Sale Shares with full title guarantee and free from any Encumbrance
- 2.3 The Seller warrants and represents to the Company that the Seller is (and will be at the time of Completion) entitled to sell and transfer to the Company the full legal and beneficial ownership of the Sale Shares free from any Encumbrance on the terms of this Agreement
- 2.4 The Seller shall sell the Sale Shares with all rights now and in the future attaching to them
- 2.5 The Company shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously. However, completion of the purchase of some of the Sale Shares will not affect the rights of the Company with respect to the others
- 2.6 The Seller waives, and agrees to procure the waiver of, any restrictions on transfer (including pre-emption rights) which may exist in relation to the Sale Shares under the existing articles of association of Cofiparinter or otherwise
- 2.7 For so long after Completion as it remains the registered holder of any of the Sale Shares, the Seller shall hold them and any distributions, property and rights deriving from them in trust for the Company and shall deal with the Sale Shares and any distributions, property and rights deriving from them as the Company directs and in particular the Seller shall exercise all voting rights as the Company directs or shall execute an instrument of proxy or other document which enables the Company or its representative to attend and vote at any meeting of the Cofiparinter or any of its subsidiary companies
- 3 **Consideration**
- 3.1 The purchase price for the Sale Shares shall be satisfied by the allotment and issue by the Company to the Seller of two hundred and thirty million, nine hundred and seventy eight thousand two hundred and sixty (230,978,260) CAMEC Shares (the "Consideration Shares")
- 3.2 The Consideration Shares shall rank pari passu with the existing CAMEC Shares in issue at Completion

- 3 3 The parties acknowledge the importance of maintaining an orderly market in the Company's shares Accordingly the Seller covenants with the Company that it will hold 80% of the Consideration Shares, being 184,782,608 CAMEC Shares (the "Locked Up Consideration Shares") in accordance with the table below, in accordance with and subject to the provisions of this clause 3

	Up to and including the date six months from Completion	Up to and including the date one years from Completion
Minimum % of Locked Up Consideration Shares which the Seller must hold and which cannot be made subject of any Encumbrance (without prior consent)	100%	50%

- 3 4 Clause 3 3 does not prevent the Seller from disposing of any of the Locked Up Consideration Shares in the following circumstances

- 3 4 1 where such disposal is made in the acceptance of any offer made in accordance with the Takeover Code by any third party for the whole of the ordinary share capital of the Company (other than any ordinary share capital owned by the offeror or any concert party of the offeror) which is recommended by a majority of the board of directors of the Company, or
- 3 4 2 where such disposal is made in the execution of an irrevocable commitment to accept any offer made in accordance with the Takeover Code for the whole of the ordinary share capital of the Company (other than any ordinary share capital owned by the offeror or any concert party of the offeror) which is recommended by a majority of the board of directors of the Company, or
- 3 4 3 where such disposal is made pursuant to an offer by the Company to purchase its own shares which is made on identical terms to all holders of ordinary shares in the Company and otherwise complies with the Companies Acts and the AIM Rules
- 3 4 4 provided that in each case such disposal is made after notification to the Company and the transferee of the shares agrees with the Company (in terms reasonably acceptable to the Company) to be bound by the terms of clause 3 3 in respect of the residue of the periods referred to in that clause

- 3 5 For the purposes of clause 3 3 and clause 3 4, Locked Up Consideration Shares shall include any shares held by the Seller arising out of the consolidation, conversion or subdivision of Locked Up Consideration Shares and any shares acquired by reference to the Locked Up Consideration Shares, whether by way of bonus or rights issue, pre-emption right or otherwise or in exchange or substitution for any such Locked Up Consideration Shares

#### 4 Warranties

- 4 1 The Seller warrants, represents to and undertakes with the Company in the terms of Schedule 1



- 4 2 The Seller acknowledges that the Company is entering into this Agreement in reliance on the Warranties
- 4 3 Except where any Warranty is expressly stated as applying only to a specific company, any reference in Schedule 1 to the 'Company' is deemed to be a reference to the Company and each of the Subsidiaries independently. The Warranties shall be given in respect of the Company and each of the Subsidiaries separately
- 4 4 The Seller undertakes to the Company that they will not seek to pursue any right, remedy or claim against Cofiparinter or any its subsidiaries which they or any of them may have in respect of any misrepresentation, inaccuracy or omission in or from any information or advice supplied or given to the Seller or its advisers or agents in connection with this Agreement, the Warranties or any other document referred to in this Agreement. In any event, the Seller irrevocably undertakes to the Company (for itself and trustee for each of such persons) to waive every such claim they may have against any of such persons
- 4 5 Each of the Warranties shall be construed separately and none of the Warranties shall limit or govern the extent, application or construction of any other of the Warranties
- 4 6 Where any Warranty refers to the knowledge, information or belief or awareness of the Seller, it shall mean the actual knowledge of Messrs Dan Gertler and Pieter Deboutte without the need to make any further enquiries
- 4 7 The Company warrants and represents to the Seller that the Company has full right, power and authority, and has taken all necessary action, to validly and duly execute and deliver, and to exercise its rights and perform its obligations under this Agreement and all other documents which are to be executed by it at or before Completion, and this Agreement constitutes, and the documents which are to be executed by it, at or before Completion when executed will constitute, legal, valid and binding agreements or obligations of the Company and enforceable in accordance with their respective terms
- 4 8 The following definitions and rules of interpretation shall apply in this Clause
- 4 8 1 "Claim" means a claim for breach of any of the Warranties,
- 4 8 2 "Substantiated Claim" means a Claim in respect of which liability is admitted by the party against whom such Claim is brought, or which has been determined as owing by the Seller in accordance with the provisions of this Agreement, and
- 4 8 3 A Claim is connected with another Claim or Substantiated Claim if they all arise out of the occurrence of the same event or relate to the same subject matter
- 4 9 The liability of the Seller for all Substantiated Claims when taken together shall not exceed the total value of the Consideration Shares at the date of the execution of this Agreement
- 4 10 The Seller shall not be liable for any Substantiated Claim unless
- 4 10 1 the amount of the Substantiated Claim, or of a series of connected Substantiated Claims of which that Substantiated Claim is one, exceeds US\$50,000, and
- 4 10 2 the amount of all Substantiated Claims that are not excluded under 4 10 1 when taken together, exceeds US\$1,000,000, in which case the whole amount (and not just the amount by which the limit in this clause 4 10 2 is exceeded) is recoverable by the Purchaser

- 4 11 The Seller is not liable for any Claim to the extent that the Claim relates to matters fairly disclosed against Warranties or of which the directors of the Company are proved to have been aware at the date of this Agreement
- 4 12 The Seller is not liable for a Claim unless the Company has given the Seller notice in writing of the Claim, summarising the nature of the Claim as far as it is known to the Company and the amount claimed, on or before the expiry of eighteen months from the date of Completion and proceedings in respect of the Claim have been properly issued and served on the Seller within the period of six months following the giving of such notice
- 4 13 Nothing in this Clause 4 applies to a Claim that arises or is delayed as a result of dishonesty, fraud, wilful misconduct or wilful concealment by the Seller, its agents or advisers
- 4 14 The Company and Seller shall procure that all reasonable steps are taken and all reasonable assistance is given to avoid or mitigate any losses which in the absence of mitigation might give rise to a liability in respect of any Claim under this Agreement
- 5 Completion**
- 5 1 Completion is subject to the prior satisfaction or waiver of the Conditions Precedent
- 5 2 The parties undertake to use their best endeavours to procure, insofar as they are able, that the Conditions Precedent are satisfied expeditiously, and the parties further undertake to provide on reasonable notice (or procure the provision of) all relevant information requested by any relevant party, which is required for the purpose of ensuring that the Conditions Precedent are satisfied
- 5 3 If any of the Conditions Precedent shall cease to be capable of being satisfied or shall not have been fully satisfied or waived by 31 January 2009, then this Agreement shall immediately lapse and cease to have effect (other than clauses 6 and 7), which shall remain in force) and no party shall have any claim against any other in respect of this Agreement except in relation to any prior breach of this Agreement
- 5 4 The Company may, in its absolute discretion and without prejudice to any other rights it has, waive in whole or in part any of the Conditions Precedent and proceed to Completion
- 5 5 The Company shall use all reasonable endeavours to procure the admission of the Shares to trading on AIM within 4 Business Days of the satisfaction or waiver of all of the Conditions Precedent (the "AIM Condition")
- 5 6 Completion shall take place on the date on which the Consideration Shares are admitted to AIM at such place and time as the parties may agree in writing, at which time
- 5 6 1 the Seller shall deliver to the Purchaser
- 5 6 1 1 duly completed and signed transfers of the Sale Shares in favour of the Purchaser (or as it may direct) together with the relative share certificates (or an indemnity in such form as the Purchaser shall require in relation to any missing certificates),
- 5 6 1 2 certificates in respect of all issued shares in the capital of Cofipartner and 50% of the issued shares in the capital of SMKK,

- 5 6 1 3 the seal (if any) and certificate of incorporation, or equivalent document(s), of the Cofiparinter and each of its subsidiaries,
  - 5 6 1 4 the statutory books, books of account and documents of record of Cofiparinter and each of its Subsidiaries complete and up-to-date, and
  - 5 6 1 5 acknowledgments of no claims and release in a form and substance satisfactory to the Company from each of the Seller and Southgate Resources Limited releasing each of Cofiparinter, Cofiparinter SA and SMKK from any liabilities which may be owing to them by Cofiparinter, Cofiparinter SA or SMKK,
- 5 6 2 The Seller shall procure that a Board Meeting of Cofiparinter shall be held at which
- 5 6 2 1 such persons as the Purchaser may nominate shall be appointed as directors of the Company,
  - 5 6 2 2 the transfers referred to in paragraph 1 1 shall be approved for registration (subject to stamping, if required), and
  - 5 6 2 3 such other business as the Purchaser may reasonably require shall be transacted
- 5 6 3 against compliance with Clauses 5 6 1 and 5 6 2, the Company will ensure that
- 5 6 3 1 the Consideration Shares are properly allotted and fully paid up or credited as fully paid up and rank pari passu with other issued shares of the Company upon allotment and issue,
  - 5 6 3 2 the name of the Seller be entered in the Register of Members of the Company in respect of the relevant number of Consideration Shares,
  - 5 6 3 3 share certificates be issued to the Nominee in respect of the relevant number of Consideration Shares, or if requested, deposit the Shares in the CREST account of the Seller or its nominee, and
  - 5 6 3 4 the secretary of the Company be instructed and authorised to file form 88(2) (return of allotment) with the Registrar of Companies in respect of the Consideration Shares

**6 Costs**

Each party shall pay its own costs relating to negotiation, preparation, execution and performance by it of this Agreement and of each document referred to in it

**7 General**


7 1 A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each party

7 2 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies No single or partial exercise of a right or remedy provided by this Agreement or

by law prevents further exercise of the right or remedy or the exercise of another right or remedy

- 73 A party may not assign or transfer or purport to assign or transfer a right or obligation under this Agreement without the prior written consent of the other party hereto, except that the Seller may assign or transfer a right under this Agreement and any related agreements to an affiliate of itself without the prior written consent of the Company, subject to the fact that the Seller shall not in such circumstances be released from any of its obligations under this Agreement and any related agreements towards the Company
- 74 This Agreement and any disputes or claims arising out of or in connection with its subject matter are governed by and construed in accordance with the law of England
- 75 Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the Rules of the LCIA, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one. The seat, or legal place, of arbitration shall be London. The language to be used in the arbitration shall be English.
- 76 This Agreement may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document
- 77 Any public announcement by the Company in relation to this Agreement or the subscription for Shares by the Seller shall not contain any reference to the Seller or its affiliates without the Seller's prior written consent
- 78 Without affecting any other rights and remedies that the Seller and the Company may have, they acknowledge and agree that damages alone would not be an adequate remedy for any breach by either of them of the provisions of this Agreement, and that the Seller or the Company shall be entitled to remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of the provisions of this Agreement by either of them

SIGNED by the parties on the date specified at the beginning of this Agreement

Signed   
Name: DINO CHIKOTA  
Position: DIRECTOR

for and on behalf of **KARA ENTERPRISES LIMITED**

Dated 10 October 2008

Signed .. .. .  
Name .. .. .  
Position .. .. .

for and on behalf of **CENTRAL AFRICAN  
MINING & EXPLORATION COMPANY PLC**

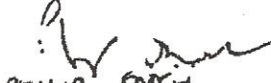
Dated .. .. . 2008

Signed  
Name  
Position.

for and on behalf of **KARA ENTERPRISES LIMITED**

Dated . 2008

Signed  
Name  
Position

  
PHILIP OUCHI  
COMPANY SECRETARY

for and on behalf of **CENTRAL AFRICAN  
MINING & EXPLORATION COMPANY PLC**

Dated *P<sup>n</sup> Ouchi* . 2008