

5 February 2020

**EDENVILLE ENERGY PLC**  
**("Edenville" or the "Company")**

**Notice of General Meeting**

Edenville Energy Plc (AIM: EDL), the AIM quoted company developing the Rukwa coal project in southwest Tanzania, announces that further to the announcement of 23 January 2020, a circular (the "Circular") convening a General Meeting is being published today and will shortly be available on the Company's website at <https://edenville-energy.com/aim-rule-26/>.

The General Meeting will be held at the offices of Brandon Hill Capital Limited at 1 Tudor St, London EC4Y 0AH at 11.00 a.m. on 21 February 2020. Further details regarding the General Meeting are set out below.

Capitalised terms used, but not otherwise defined in this announcement, bear the meanings ascribed to them in the Circular.

**Introduction**

I am writing to you with details of our General Meeting which will be held at the offices of Brandon Hill Capital Limited at 1 Tudor St, London EC4Y 0AH on 21 February 2020 at 11.00 a.m.

The Company announced on 23 January 2020 that it raised £700,000 (before expenses) by way of a placing of 1,750,000,000 new ordinary shares of 0.02p each in the Company at a placing price of 0.04p per Ordinary Share with existing shareholders through Brandon Hill Capital Limited (the "Placing"). In addition, subscribers in the Placing will, subject to the passing of the Resolutions, be issued with one warrant for every two Placing Shares subscribed for under the Placing (the "Warrants"). The Warrants will have an exercise price of 0.06p per Ordinary Share and must be exercised prior to 23 January 2022 otherwise they will lapse.

The Company is now calling a General Meeting in order to seek authorities to grant the Warrants, as well as further Ordinary Shares in the future, if required and additional relevant securities in connection with the Funding Agreement with Lind (although it is the intention of the Company to pay back Lind in cash). If the Resolutions are passed, the Warrants are expected to be granted immediately after the General Meeting.

**Background to and reasons for the General Meeting**

During 2019, Edenville funded and undertook several operational initiatives at its Rukwa coal project in Tanzania ("Rukwa" or the "Project") designed to expand production capacity and improve the Project's economic potential. These included significant upgrades to the wash plant and the opening up of the Northern Area for mining (the "Northern Area"), which has subsequently proven to have both a better quality of coal from previously mined areas and also better recoveries. Despite these improvements the lack of working capital has prevented the Project from operating effectively and has materially impacted production, with only a de minimis level of washed coal being produced between 30 November 2019 and 22 January 2020.

A sustained marketing initiative took place in Q4 2019, following the appointment of Alistair Muir as the Company's new CEO, coupled with in pit and stockpile sampling highlighting the improved quality of Rukwa coal from the Northern Area. This was well received by existing and potential customers, culminating in the Company entering into two new long-term contracts, as announced on 11

December 2019, to supply a combined 9,000 tonnes of washed coal per month to industrial customers in Rwanda and Uganda, complementing the Company's existing coal supply contracts.

With the proceeds of the Placing and the additional support of Brian McMaster's Proposed Loan, which remains subject to formal documentation and the consent of Lind, the Directors believe Edenville is now able to address the shortfall in working capital and that the Company is in a position to begin supplying these coal contracts. In structuring the recent financing arrangements, the Company has sought to minimise dilution by including a standby debt component, which will only be utilised if required to bridge any additional working capital requirements as the Project ramps up its production to satisfy the current contracted demand for Rukwa washed coal, which is outlined below.

### **Current Coal Contacts**

As announced on 11 December 2019, Edenville entered into a contract to supply up to 6,000 tonnes of washed coal per month with Tara Group Ltd and a separate contract for up to 3,000 tonnes of washed coal per month with Springwood Capital Ltd. These contracts compliment a standing order for 500 tonnes per month from a Tanzanian industrial user in Arusha and an up to 2,500 tonnes per month order from a cement manufacturer located near Dar Es Salaam in Tanzania.

In addition, the Company has received enquiries from a potential customer in the Democratic Republic of the Congo for the supply of washed coal to a cement works on Lake Tanganyika. The Company is also engaged in discussions with several other potential purchasers of Rukwa coal and although no assurances can be given that long-term contracts will materialise, the Directors are confident that once additional stockpiles are at site, new supply contracts should be forthcoming.

### **Rwandan Power Station Tender**

The Company's subsidiary Edenville International (Tanzania) Limited also recently lodged a tender for the supply of 12,000 tonnes of washed coal to a Rwandan power station. The Company believes it is geographically well placed to provide coal at a competitive price compared to other potential suppliers and is awaiting the outcome of this tender. Further announcements regarding this tender will be made as appropriate.

### **Additional Share Authorities**

The Placing Shares were issued out of the existing authorities previously granted to the Directors at the Company's General Meeting which was held on 17 May 2019 and the Annual General Meeting which was held on 23 July 2019. However, following the Admission of the Placing Shares, the Directors have limited authority to issue additional Ordinary Shares.

The Company may require further capital to execute its longer-term strategy, which includes securing additional coal supply contracts and significantly increasing production. The Board will therefore continue to explore additional funding options, including strategic partnerships and further issues of Ordinary Shares, subject to the Directors being satisfied with the issue price of these shares at the time.

Therefore, in order to ensure the Board has maximum flexibility with regards to future funding opportunities, a General Meeting has been convened to approve the Resolutions.

## **General Meeting**

The Directors do not currently have the authority under section 551 of the Act to grant the Warrants. The Warrants will not be issued therefore until the Resolutions are passed at the General Meeting.

A notice convening the General Meeting to be held at the offices of Brandon Hill Capital Limited at 1 Tudor St, London EC4Y 0AH at 11.00 a.m. on 21 February 2020 is being published at which the following Resolutions will be proposed:

- (A) Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot up to 875,000,000 Ordinary Shares (being an aggregate nominal value of £175,000) in connection with the Warrants;
- (B) Resolution 2, which will be proposed as an ordinary resolution, is to provide the Directors with a general authority to allot up to: 2,750,000,000 Ordinary Shares (being an aggregate nominal value of £550,000);
- (C) Resolution 3, which will be proposed as an ordinary resolution, is to authorise the Directors to allot up to: 2,000,000,000 Ordinary Shares (being an aggregate nominal value of £400,000) in connection with the Funding Agreement with Lind;
- (D) Resolution 4, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, is to disapply statutory pre-emption rights;
- (E) Resolution 5, which will be proposed as a special resolution and which is subject to the passing of Resolution 2, is to disapply statutory pre-emption rights; and
- (F) Resolution 6, which will be proposed as a special resolution and which is subject to the passing of Resolution 3, is to disapply statutory pre-emption rights.

## **Recommendation**

**The Directors believe it is in the best interests of the Company's Shareholders to approve the Resolutions at the General Meeting.**

**The Directors therefore unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 304,791,761 Existing Ordinary Shares, representing approximately 4.47 per cent. of the Existing Ordinary Shares.**

*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.*

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