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If you have sold or otherwise transferred all of your shares in 3Legs Resources plc, please pass this document, together with the accompanying Form of Proxy and Annual Report and Accounts, as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

## **3LEGS RESOURCES PLC**

(incorporated and registered in the Isle of Man under the Companies Act 2006 of the Isle of Man with registered no. 000258V)

### **Notice of Annual General Meeting**

**Notice is given that the 2015 Annual General Meeting of 3Legs Resources plc (the "Company") will be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man IM1 2LX on 31 July 2015 at 10.30 a.m. to transact the business set out in the Notice which forms part of this document.**

# Letter from the Chairman of the Company

## 3LEGS RESOURCES PLC

(incorporated and registered in the Isle of Man under the Companies Act 2006 of the Isle of Man with registered no. 000258V)

*Directors:*

Richard Armstrong (Chairman)  
Colin Weinberg (Non-Executive Director)  
Jim Mellon (Non-Executive Director)  
Dr. Greg Bailey (Non-Executive Director)

*Registered Office:*

Commerce House  
1 Bowring Road  
Ramsey  
Isle of Man IM8 2LQ

26 June 2015

*To the holders of ordinary shares in 3Legs Resources plc (the "Company") and, for information purposes only, to the holders of options to subscribe for ordinary shares in the Company.*

Dear Shareholder,

### **Annual General Meeting**

I am writing to you with details of the Company's 2015 Annual General Meeting (the "**AGM**"), which will be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX on 31 July 2015 at 10.30 a.m.

Formal notice of the AGM (the "**Notice**") is enclosed with this letter. Also enclosed is a copy of the Company's Annual Report and Accounts for the year ended 31st December 2014 and a form of proxy (the "**Form of Proxy**").

The purpose of this letter is to provide Shareholders with some additional information with regard to the resolutions to be proposed at the AGM.

### **Resolution 1 - receiving the financial statements and reports for 2014**

Shareholders are being asked to receive the financial statements of the Company for the year ended 31 December 2014 (including the directors' and auditors' reports thereon), a copy of which is enclosed with this document.

### **Resolutions 2 to 5 (inclusive) - re-election of Directors**

All the current directors of the Company have been appointed by the board of directors of the Company (the "Board") since the Company's last Annual General Meeting and are therefore required, in accordance with the Company's articles of association, to stand for re-election at the AGM.

Set out below is a biography for each of the Company's directors.

#### **Richard Armstrong**

Richard Armstrong is a former equity analyst and corporate broker. He has extensive experience in reconstructing and raising capital for turnaround situations especially in the quoted microcap sector, such as Weatherly International plc, K P Renewables plc (now IGas Energy plc), Future Internet Technologies plc (now Artiliium plc) and Mobilefuture plc. In most cases, he has joined the board of these companies and has played a major role in helping them to acquire or establish operating businesses.

#### **Colin Weinberg**

Colin Weinberg is a former stockbroker with some 40 years' experience with a range of firms including most recently Durlacher plc and Walker Crips Weddle Beck plc. He is a former director of Peckham

Building Society and is currently a director of Associated British Engineering plc, a listed company, and of AIM-quoted Kennedy Ventures plc.

#### **Jim Mellon**

Jim Mellon is an investor with interests in several industries. After leaving Oxford, where he studied PPE, he worked in Asia and the United States in two fund management companies, GT and Thornton, before establishing his own business in 1991. This now has two components: a listed fund management company, Charlemagne Capital Limited and an Asian investment group, Regent Pacific Group Limited. In addition, Jim is a controlling shareholder and a director of Manx Financial Group, an Isle of Man-based bank and a controlling shareholder of Webis Holdings plc. He is also a co-founder of Uramin and Red Dragon Resources, both mining groups. Burnbrae, his private company, is a substantial landlord in Germany and in the Isle of Man, and it owns outright the hotel chain, Sleepwell Hotels Limited. Jim spends most of his time working on start-up ideas and on investing. His book 'Cracking the Code', which was published in 2012, focused on investment opportunities in the life science sector. Jim is an honorary fellow of Oriel College, Oxford.

#### **Dr Greg Bailey**

Greg Bailey, M.D., is chairman of Portage Biotech, Inc. a publicly traded drug development company and was previously managing partner of Palantir Group, Inc., a merchant bank specialising in biotech and intellectual property. He has over 15 years' experience in investment banking and has also founded several companies. Along with comprehensive experience in healthcare, finance and medicine Greg also brings to the board of directors an extensive involvement in corporate governance. He has served on multiple public company boards of directors, was a practicing physician for ten years and holds a M.D. degree from the University of Western Ontario.

#### **Resolution 6 – reappointment of Baker Tilly as auditor and determination of their remuneration**

The Company is required to appoint or re-appoint auditors at each general meeting at which financial statements are presented. It is proposed that Baker Tilly UK Audit LLP be re-appointed as the Company's auditors, and that the Board is authorised to set their remuneration.

#### **Resolution 7 - ratification of resolutions and acts of Directors**

The Board is aware that, for some time, the composition of the Board has not been fully compliant with the provisions of the Company's articles of association. It therefore proposes that Shareholders have an opportunity to approve, retrospectively, all actions by the Board while this non-compliance persisted. The Board has been advised that it is quite common for companies to correct technical procedural defects in this way. For your information, the proposed new articles of association of the Company referred to below incorporate changes that will (subject to the adoption of the new articles being approved at the AGM) help ensure that the Board is fully compliant with the provisions of the Company's articles of association following the AGM.

#### **Resolution 8 - new articles of association**

In order to ensure that the Board composition is compliant with the requirements set out in the Company's articles of association, and to reflect certain other changes that the Board considers appropriate (either to update the articles or to enable the Board to more easily and effectively manage the business of the Company), it is proposed that new articles of association (the "**New Articles**") are adopted by the Company at the AGM in substitution for the current articles of association of the Company (the "**Current Articles**"). The New Articles reflect the following key changes to the Current Articles:

- (a) Article 4 (Share capital amount): The amount of share capital of the Company available for issue has been increased to £750,000 (divided into 3,000,000,000 ordinary shares) in order to provide the Company with a greater number of shares available for issue. Any future issue of shares will, however, continue to be subject to the other provisions of the Company's articles.
- (b) Article 5.3 (which lists a number of categories of share allotment that fall outside the pre-emption provisions set out in Article 5.2) has been updated to remove reference to the allotment of shares in connection with the Company's 2011 share award plan, warrants issued by the Company on 2 July 2010 and a loan facility dated 2 July 2010, all of which are no longer in existence, and the allotment of shares in connection with the Company's AIM Admission.

- (c) Articles 78 to 113: Certain provisions regarding the residency requirements of the directors of the Company have been removed in order to enable the current Board to comply with the Company's articles.
- (d) Article 127.2: The UK residency restriction in respect of the secretary of the Company has been removed.
- (e) Article 158 (Borrowing Powers): To provide the Board with greater flexibility, the prescriptive borrowing conditions set out in Article 158 have been removed. The Board will, however, only exercise the powers of the Company to borrow money in accordance with the New Investing Policy (as defined below) and where the Board considers such borrowings to be in the commercial best interests of the Company.
- (f) Articles 159 and 160 (Takeover Provisions): As the Company is subject to the UK Takeover Code, Articles 159 and 160 are no longer required and have therefore been removed.

Copies of the New Articles together with a comparison of the New Articles against the Current Articles are available for review at the Company's registered office at any time before the AGM; in addition, copies of the New Articles will be available on the Company's website at [www.3legsresources.com](http://www.3legsresources.com) and at the AGM.

It should be emphasised that the New Articles do not represent or reflect any change in, or intention to change, the location of the Company's operations or the tax residence status of the Company. It remains the clear intention of the Board that the Company continues to be centrally managed and controlled in the Isle of Man, and the Board will take all necessary steps to ensure that this is not compromised.

#### **Resolution 9 - New Investing Policy**

In view of the recent capital subscription by, and the appointment to the Board of, Jim Mellon and Greg Bailey as announced by the Company on 9 June 2015, it is proposed that the Company adopt a new investing policy focussing on investments in life sciences and related technologies. This will enable the Company to take advantage of the expertise and contacts of Jim Mellon and Greg Bailey in this area. The proposed new investing policy is set out in the Appendix at the end of this letter (the "**New Investing Policy**").

The Company is required either to implement, to the satisfaction of the London Stock Exchange, the New Investing Policy or to make an acquisition or acquisitions which constitute a reverse takeover under Rule 14 of the AIM Rules for Companies (published by the London Stock Exchange plc from time to time), in either case, within 12 months of the date upon which the Company became an investing company (i.e. 3 November 2014), in order to avoid suspension of its ordinary shares from trading on the AIM Market of the London Stock Exchange.

#### **Resolution 10 - disapplication of pre-emption rights**

Article 5.2 of the Company's articles of association contains pre-emption rights that require all shares which it is proposed to allot for cash to be first offered to existing Shareholders in proportion to existing shareholdings, unless a special resolution is passed to dis-apply such rights. Such rights do not apply to an issue otherwise than for cash, such as an issue in consideration for an acquisition.

At the extraordinary general meeting of the Company held on 13 February 2015, the Directors were granted the power, in accordance with Article 5.2 of the Company's articles, to allot ordinary shares for cash up to an aggregate par value of £150,000. This power has only been partially utilised and expires at the conclusion of the AGM.

Resolution 10 proposes that the Directors be authorised to allot for cash, on a non-pre-emptive basis, ordinary shares in the capital of the Company up to an aggregate par value of £150,000 as if the pre-emption rights of the Shareholders contained in article 5.2 of the Company's articles of association did not apply to such allotment(s), such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in a general meeting) at the conclusion of the next annual general meeting of the Company. The purpose of this special resolution is to give the Directors the flexibility to take advantage of specific investment opportunities as they arise, without the need to revert to Shareholders for a further approval.

**Action to be taken**

Whether or not you intend to be present at the AGM, you are requested to complete the Form of Proxy, in accordance with the notes set out in the attached Notice and the Form of Proxy. To be valid, the Form of Proxy must be received at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 10.30 a.m. on 29 July 2015. Completion and return of the Form of Proxy will not preclude you from attending and voting at the AGM.

**Recommendation**

Your Directors consider all the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole and, accordingly, unanimously recommend you to vote in favour of them as they intend to do in respect of their own beneficial shareholdings and all entities associated with them totalling 282,167,944 ordinary shares in the capital of the Company.

Yours sincerely,  
Richard Armstrong  
Chairman  
On behalf of the Board of 3Legs Resources Plc

## APPENDIX

### NEW INVESTING POLICY

The Company will seek to invest in and/or acquire companies within life sciences and related technologies. Initially the geographical focus will be North America, Asia and Europe but investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist and positive returns can be achieved.

In selecting investment opportunities, the Board will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value. Where appropriate, the Board may seek to invest in businesses where it may influence the business at a board level, add their expertise to the management of the business, and utilise their industry relationships and access to finance; as such investments are likely to be actively managed.

The Company's interests in a proposed investment and/or acquisition may range from a minority position to full ownership and may comprise one investment or multiple investments. The proposed investments may be in either quoted or unquoted companies; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures, joint ventures or direct or indirect interests in companies or projects. The Board may focus on investments where intrinsic value can be achieved from the restructuring of investments or merger of complementary businesses.

The Board expects that investments will typically be held for the medium to long term, although short term disposal of assets by the Company cannot be ruled out if there is an opportunity to generate an attractive return for Shareholders. The Board will place no minimum or maximum limit on the length of time that any investment may be held by the Company.

There is no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover under the AIM Rules for Companies. The Directors intend to mitigate risk by appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholder approval. The Board considers that as investments are made, and new promising investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer new ordinary shares in the capital of the Company by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

The Board will conduct initial due diligence appraisals of potential businesses or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist. The Board believes it has a broad range of contacts through which it is likely to identify various opportunities which may prove suitable. The Board believes its expertise will enable it to determine quickly which opportunities could be viable and so progress quickly to formal due diligence.

The Company will not have a separate investment manager. The Board proposes to carry out a comprehensive and thorough project review process in which all material aspects of a potential project or business will be subject to rigorous due diligence, as appropriate. Due to the nature of life sciences and related technologies it is unlikely that cash returns will be made in the short to medium term; rather the Company expects a focus on capital returns over the medium to long term.

# Notice of Annual General Meeting 2015

## 3LEGS RESOURCES PLC (the “Company”)

(incorporated and registered in the Isle of Man under the Companies Act 2006 of the Isle of Man with registered no. 000258V)

Notice is given that the 2015 Annual General Meeting of the Company will be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX on 31 July 2015 at 10.30 a.m. to transact the business set out below.

### ORDINARY BUSINESS

To consider and, if thought fit, to pass the following resolutions which will each be proposed as an ordinary resolution:

1. To receive the audited accounts of the Company, and the auditors' and directors' reports thereon, for the year ended 31 December 2014.
2. To re-elect Richard Armstrong as a director of the Company.
3. To re-elect Colin Weinberg as a director of the Company.
4. To re-elect Jim Mellon as a director of the Company.
5. To re-elect Dr. Greg Bailey as a director of the Company.
6. To re-appoint Baker Tilly UK Audit LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which financial statements are laid before the Company and to authorise the directors to determine their remuneration.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions of which resolution 7 will be proposed as an ordinary resolution and resolutions 8, 9 and 10 will each be proposed as a special resolution:

7. THAT, notwithstanding any technical breaches of the articles of association of the Company, all resolutions passed and acts taken or purported to be taken by or on behalf of the directors of the Company and/or the Company since the date of the Company's incorporation be ratified, confirmed and approved including, without limitation, the execution and/or signature of any documents for and on behalf of the Company and the performance by the Company of its obligations under any such documents.
8. THAT the articles of association of the Company be deleted in their entirety and the regulations contained in the document submitted to the meeting, and for the purpose of identification signed by the Chairman, be approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.
9. THAT the New Investing Policy (as such term is defined in the letter from the Chairman of the Company dated 26 June 2015 which accompanies this Notice) be and is hereby approved and adopted as the new investing policy of the Company and that the directors of the Company be authorised to take all such steps as any of them may consider necessary or desirable to implement the New Investing Policy.
10. THAT the directors be generally and unconditionally authorised to exercise all the powers of the Company to allot new ordinary shares of £0.00025 each in the capital of the Company (“**Ordinary Shares**”) for cash up to an aggregate par value of £150,000, as if the provisions of article 5.2 of the Company's articles of association did not apply to such allotments, such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next annual general meeting of the Company (except that the directors of the Company may allot new Ordinary Shares pursuant to this authority in pursuance of an offer or agreement made prior to such date and which

requires such shares to be allotted after such date). This authority is in substitution for all other previous authorities conferred on the directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities.

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Registered office:  
Commerce House  
1 Bowring Road  
Ramsey  
Isle of Man IM8 2LQ

By order of the Board  
Janette Davies and Stone Limited  
Joint Company Secretaries

26 June 2015

## NOTES

1. A member who is entitled to attend, speak and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting.
2. Forms for the appointment of a proxy in respect of the meeting have been provided to members with this Notice of meeting (the "**Form of Proxy**"). To be valid, the Form of Proxy must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 10.30 a.m. on 29 July 2015.
3. Completion and return of the Form of Proxy does not preclude a member from attending the meeting and voting in person should they wish to do so.
4. The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006 (Isle of Man), specifies that only those members registered in the register of members of the Company as at 6.00 p.m. on 29 July 2015 (or in the event that the meeting is adjourned, at 6.00 p.m. on the date which is 48 hours before the adjourned meeting) shall be entitled to attend, speak or vote at the meeting in respect of the ordinary shares registered in their name at that time. Changes to entries on the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.
5. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a "**CREST proxy appointment instruction**") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ("**Euroclear**"), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Capita Asset Services (CREST participant ID RA10) by 10.30 a.m. on 29 July 2015. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means.

The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2006 of the Isle of Man or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

6. Copies of the Directors' service contracts and letters of appointment, together with a copy of the proposed new articles of association of the Company referred to in resolution 8 in the Notice, are available for inspection at the registered office of the Company during normal business hours on any business day and will be available for inspection at the place where the meeting is being held from at least 15 minutes prior to and during the meeting. A copy of the proposed new articles of association is also available on the Company's website at [www.3legsresources.com](http://www.3legsresources.com).