

2 September 2011

GENERAL INDUSTRIES PLC
("General Industries" or the "Company")

**Posting of AIM Admission Document to Shareholders
Proposed Reverse Acquisition**

General Industries Plc is pleased to announce that the Company's Admission Document regarding its proposed admission to AIM has been posted to Company Shareholders today. Accordingly trading in the Company's Ordinary Shares on PLUS Stock Exchange will resume trading with effect from 8.00am on 5 September 2011.

As announced on 8 March, 10 March and 19 May 2011, the Board made the decision to apply for admission of the Company's shares to trading on AIM ("the Admission") and withdraw from PLUS further to signing a conditional Share Purchase Agreement to acquire the entire issued share capital of Skiptons Global Investments Limited (BVI) ("Skiptons") ("the Acquisition") (together "the Transaction"). The Acquisition and Admission are subject to approval from Shareholders at a General Meeting to be held at the offices of the Company, 56 Station Road, Egham, TW20 9LF at 11.00am on Monday 26 September 2011 and admission to AIM proposed for 28 September 2011. A copy of the Admission Document will also be available on the Company's website, www.generalindustries.com (and from Admission www.galileoresources.com). Beaumont Cornish Limited is acting as the Company's Nominated Advisor and Broker for the AIM Admission.

Beaumont Cornish Limited is the Company's PLUS Corporate Advisor and will act as Nominated Advisor and Broker on Admission to AIM.

All enquiries:

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Details of the Transaction as extracted from the Admission Document are set out below:

**'Proposed acquisition of Skiptons Global Investment Limited (BVI) ("Skiptons")
Proposed name change to Galileo Resources Plc
Proposed Admission of the Enlarged Share Capital to trading on AIM
Proposed waiver of the requirements of Rule 9 of the Takeover Code on Takeovers and Mergers
Notice of General Meeting**

INTRODUCTION

Following the announcements on 8 March 2011, 10 March 2011 and 19 May 2011 that the Company was investigating investment opportunities in RSA, providing details of a loan made to Brightwater and

providing details of the agreement in principle reached to acquire 100 per cent of the issued share capital in Skiptons and the consequent suspension of trading in the Company's shares on PLUS, the Board announced today that the Company has now entered into the Acquisition Agreement to acquire the entire issued share capital of Skiptons (referred to in this Document as the "Acquisition") and its intention to change its name to Galileo Resources Plc. In addition, the Company intends to apply for the Enlarged Share Capital of the Company to be admitted to trading on AIM and for the listing to be cancelled on PLUS.

The Acquisition constitutes a Reverse Takeover under the PLUS Rules because the Acquisition will give rise to a fundamental change to the business, board composition and voting control of General Industries. The Acquisition therefore requires the approval of Shareholders.

The Acquisition is conditional, *inter alia*, upon Shareholder approval and the completion of the Subscription to raise £3,300,000 in cash (funds for which are being conditionally held by the Company pending completion and Admission) which, when combined with General Industries' existing cash resources, will give the Enlarged Group the resources to fund the cost of Admission, provide general working capital, fund the costs of acquiring historic engineering on Glenover along with the costs of metallurgical test work, exploration and collection and analysis of pre-feasibility data in order to define to scale the extent of an initial rare earth resource on the Stockpiles along with some exploratory drilling of the pyroxenite/carbonite plug to identify REE resource potential as well as initial exploration of the *in situ* resources at the area covered by Glenover's mining licence (as detailed in Phase 1 in the CPR).

Accordingly, a General Meeting (a "GM") of the Company is being convened for 26 September 2011 at which resolutions will be proposed, *inter alia*, to approve the Acquisition, the Rule 9 Waiver and to change the Company's name to Galileo Resources Plc.

BUSINESS OF SKIPTONS

Skiptons was incorporated on 14 August 2008 to hold mineral rights in RSA and, in particular, to invest in the Joint Venture Projects through its wholly-owned South African subsidiary company, Utafutaji Trading. On 18 August 2011, Utafutaji Trading entered into the Glenover Shareholders Agreement and the Glenover BEE Memorandum. On 17 May 2011, Utafutaji Trading acquired 49 per cent of the issued share capital of Brightwater, which holds the right (subject to necessary regulatory consent) to acquire a mining licence relating to the Qokolweni Quarry from the current holder, Cannosia (which is itself a minority shareholder in Brightwater)

Skiptons currently undertakes no trade save as a result of Utafutaji Trading's equity investments in the Joint Venture Projects. As at 31 March 2011, it had Total Assets of £1,204,820 and Net Liabilities of £6,575 and it is wholly owned by Colin Bird, the proposed Chairman of the Enlarged Group.

REEs are a set of 17 chemical elements in the periodic table, specifically the fifteen lanthanides plus scandium and yttrium. Scandium and yttrium are considered REEs as they occur in the same ore deposits as the lanthanides and exhibit similar chemical properties.

REEs are used extensively in a wide variety of applications to make technologies lighter, stronger, more efficient, and easier to use. Currently, the dominant end uses for REEs are for magnets; as additive in steel manufacture; auto catalysts; and petroleum refining catalysts. Other major end uses for REEs include use in phosphors in colour televisions, LEDs, LCDs, and flat panel displays on cell phones, portable DVDs, and laptops; medical devices; polishing materials; industrial glasses; defence applications such as jet fighter engines, missile guidance systems, satellite and communication systems.

China produces over 97 per cent of the world's rare earth supply, mostly in Inner Mongolia, although it only has 37 per cent (or 36 Mt equivalent) of proven reserves.

In 2010, world demand for REEs was estimated at 134 thousand tonnes (kt) per year, with global production around 124 kt annually. The difference was covered by historical inventories. By 2012, world demand is expected to rise to 190 kt annually although no new mine output is expected in the short term. Most new mining projects will take 10 years to reach full production. In the long-run, however, the USGS expects that global reserves and undiscovered resources are large enough to meet demand.

COMPETENT PERSON'S REPORT

The Competent Person's Report, has been prepared by Snowden and is set out in the Document. Extracts are set out below:

Description of the assets

Glenover Project

The Glenover Project new order prospecting rights granted and held in the name of Glenover Phosphate (Pty) Ltd, are detailed below.

Glenover prospecting rights

<i>Farm Name</i>	<i>Farm Number</i>	<i>Area (ha)</i>	<i>Minerals</i>	<i>Expiry Date</i>	<i>Protocol Number</i>
Glenover	371 LQ	2683	All Minerals including diamonds	30 October 2012	28/2007
Ouhoek	345 LQ	2446	All Minerals including diamonds	31 October 2012	28/2007
Houndslow	372 LQ	2703	All Minerals including diamonds	31 October 2012	28/2007
Elfrida	378 LQ	2019	All Minerals including diamonds	31 October 2012	28/2007
Eldorado	370 LQ	3098	All Minerals including diamonds	31 October 2012	28/2007
Rosevalley	369 LQ	2853	All Minerals including diamonds	31 October 2012	28/2007

Qokolweni quarry

The Qokolweni dolerite quarry is located on Farm 313 in the hilly Qokolweni district, 18 km south east of Mthatha in the Eastern Cape province of South Africa. The quarry site (coordinates 31°45'08"S; 28°47'13.4"E) is easily accessible from a tarred road that links Mthatha with the coastal region and the surrounding areas of Mthatha.

A new order mining right is held over the property, held in the name of Cannosia Trading 62 cc as detailed below.

Qokolweni quarry mining right

<i>Farm Name</i>	<i>Farm Number</i>	<i>Area (ha)</i>	<i>Minerals</i>	<i>Expiry Date</i>	<i>Protocol Number</i>
Farm 313	313	41.4	Stone, aggregate, gravel	28 July 2025	28/2007

Geological Settings

Glenover project

The Glenover carbonatite is a complex circular, carbonatite/pyroxenite plug intruded into sedimentary shale and arenite rocks of the Waterberg Group and prominently visible as a major circular feature on satellite images of the area. Thickness estimates for the Waterberg Group range from 2,700 metres (m) to more than 7,000 m.

The deposit comprises a central iron rich breccia (subsequently mined out), surrounded by a pyroxenite plug, into which carbonatite has intruded as a series of dykes and cone sheets.

The main historical source of geological information concerning the Glenover Carbonatite is Handbook 6 of the Geological Survey of South Africa, 'The Carbonatites of South Africa and South West Africa', published in 1967 and authored by WJ Verwoerd.

Verwoerd hypothesised that the deposit was created by two geological events that resulted in the formation of a primary and a secondary phosphate deposit. Exploitation has historically focussed on the phosphate content of the deposit and the potential of the surrounding rocks. However limited exploration has been undertaken to determine the potential of other metals and minerals, *inter alia* REE's (Begley, 1987).

Qokolweni quarry

The Qokolweni dolerite quarry in the Eastern Cape Province is underlain primarily by sandstones and mudstones of the Beaufort Group of the Karoo Sequence. These Beaufort group rocks can be highly weathered and often covered by thick overburden. Where the mudstone and sandstone are interlayered, they are more resistant to weathering and as a result there is a very thin soil covering in these areas.

The quarry targets an outcropping dolerite/norite sill on the top of a hill. The quarry, more accurately known as a borrow pit, was previously mined to supply road aggregate and a box cut exposes the sill to a depth of 30 m. The mining right covers a 14 ha area and an estimated 40 per cent of the dolerite in the mining right is fully exposed. The overburden soil is limited to a few scattered areas and is up to 1 m thick.

Early Jurassic age igneous intrusions are abundant in the area and are generally referred to loosely as dolerite but the actual rock type varies. They occur in the form of dykes and sills and are composed primarily of plagioclase feldspar and pyroxene. These rocks are highly durable and thus are often seen capping the sandstone and mudstone hills of the Eastern Cape area.

Resource Estimations

Glenover Mineral Resource Statement

Snowden is not aware of any previous Mineral Resource estimates for the REE content of the deposit or the stockpiles.

Following the resurvey and sampling exercises undertaken in 2011, Snowden has reviewed the data and considers that a Mineral Resource classified at the Inferred level, in terms of the guidelines of the SAMREC Code (2009), can be justified for those stockpiles sampled. The Mineral Resources contained within the Glenover stockpiles, as at 10 June 2011, are presented below.

Mineral Resources contained within the Glenover stockpiles as at 10 June 2011

<i>Stockpile</i>	<i>Classification</i>	<i>TREO*</i> <i>(%)</i>	<i>Tonnage</i> <i>(Mt)</i> <i>Grass</i>	<i>Contained</i> <i>TREO (kt)</i> <i>Grass</i>	<i>Tonnage</i> <i>(Mt)</i> <i>Net(44.24%)</i>	<i>Contained</i> <i>TREO (kt)</i> <i>Net(44,24%)</i>
Stockpile 1	Inferred	2.60	0.80	21	0.35	9
Stockpile 4	Inferred	1.98	0.46	9	0.20	4
Stockpile 5	Inferred	1.51	0.39	6	0.17	3

Total	2.17	1.64	36	0.73	16
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Note:

Total rare earth oxides (TREO) values are based on the assay results received from the sampling exercise and have been discounted.

The Operator is Glenover.

Qokolweni quarry Mineral Resource Statement

A Mineral Resource estimate was undertaken for the quarry by KSE Geological Consultants. Mineral Resources have been estimated by taking a 30 m thick sample of dolerite within the pit areas. Two pits are planned for the quarry. Pit 1 surrounds the existing pit and has been calculated to contain 4.3 million tonnes (Mt) of good quality aggregate. Pit 2 is planned for the southern portion of the mining right. This pit is estimated to contain a total of 5.8 Mt of good quality aggregate and may have the potential to be exploited to depths greater than 30 m below surface.

Snowden classifies these Mineral Resources at the Inferred level of confidence as per the guidelines and definitions of the SAMREC Code below.

Mineral Resource estimate for the Quarry Project as at July 2011

<i>Pit</i>	<i>Bulk Density (g/cm³)</i>	<i>Tonnage (Mt) Gross</i>	<i>Tonnage (Mt) Net (49%)</i>	<i>Operator</i>
Pit 1	2.94	4.3	4.3	Brightwater
Pit 2	2.94	5.8	5.8	Brightwater
Total	2.94	10.1	10.1	Brightwater

Valuation approaches

The SAMVAL Code requires that a Competent Valuator must apply at least two valuation approaches in determining a Valuation. The three generally accepted Valuation Approaches are:

• Cash Flow Approach:

The Cash Flow Approach relies on the ‘value-in-use’ principle and requires determination of the present value of future cash flows over the useful life of the mineral asset. This valuation technique is not used in the valuation of early stage exploration projects or projects whereby limited market information is available.

• Market Approach:

The market approach relies on the principle of ‘willing buyer, willing seller’ and requires that the amount obtainable from the sale of the mineral asset is determined as if in an arm’s-length transaction. The Comparable Market Value Approach or Market Approach followed applies a dollar value per *in-situ* resource ounce determined by analysis of the transactional value of recently traded similar mineral properties. This valuation technique has been applied in the valuation of the Glenover Project.

• Cost Approach:

The Cost Approach relies on historical and/or future amounts spent on the mineral asset. This approach is usually applied to early exploration assets and has been used in the valuation of the Glenover Project. Derivatives of the Cost Approach include the Replacement Value method (not used) and the Geoscientific (Kilburn) Rating method (used in this Valuation).

Valuation of the Mineral assets

The Mineral Asset Valuation was based on the Market and Cost approaches.

It must be noted that the exploration programmes, assumptions and industry circumstances as a whole may change significantly over time. Should these change materially, the Valuation may be significantly different. The Competent Valuator is under no obligation to advise of any change in circumstances after the effective date of this Valuation or to review, revise or update the Valuation or opinion.

Skiptons, through a 100 per cent owned South African registered subsidiary is required to comply with Black Economic Empowerment (BEE) legislation, consideration of which has been made in the valuation.

Snowden is of the opinion that the Comparable Market Value method is, considering the current state of the REE market, a more suitable approach than the Kilburn method.

Utafutaji holds two call options on Glenover. Snowden has valued these financial options by means of the Black Scholes methodology. The combined value of these options is GBP1.7 million (M).

The Concluding Opinion of Value has been outlined below.

The Concluding Opinion of Value of the Glenover Project's total Mineral Assets

<i>Unit</i>		<i>Minimum value</i>	<i>Maximum value</i>	<i>Preferred Value</i>
Cost Approach (Kilburn method)	GBP M	1.4	33.8	8.1
Market Approach	GBP M	6.6	24.1	16.5
Concluding Value	GBP M	6.6	24.1	16.5
Utafutaji Share (44.24%)	GBP M	2.9	10.7	7.3
Option Value	GBP M	1.7	1.7	1.7
Overall Utafutaji Share of Glenover	GBP M	4.6	12.4	9.0

Notes:

1. Exchange rate of ZAR11.09:4 GBP1 used
2. Concluding Opinion of Value is based on the Market Approach.

The overall value of Utafutaji's shareholding and options in Glenover is valued at the sum of its proportion of the Mineral Asset Value and the Financial Option Value. The overall value is therefore between GBP4.6 million and GBP12.4 million. Snowden's preferred value being GBP 9.0 million.

Snowden has not received any information relating to possible environmental liabilities associated with ownership of the Glenover Project or the Quarry. Snowden is consequently unable to comment on how any such possible environmental liabilities would impact on the Valuation.

The Report Date is 1 September 2011. The Valuation Date is 20 June 2011. No material changes have occurred between the Report Date and the Valuation Date.

Conclusion

Snowden has reviewed the information provided relating to the Glenover Project and Qokolweni dolerite quarry and is of the opinion that both assets have potential for further development and exploitation.

In Snowden's opinion, the assayed stockpiled material at Glenover contains a significant Inferred Resource of REEs, with additional un-assayed stockpiles and underground material representing additional potential resources. A logical process for Project development has been presented by Glenover which, in Snowden's opinion, has real potential to add value should the outcome of planned exploration and process definition stages prove positive.

Potential Quarry development is contingent on the completion of a detailed market analysis and the securing of medium term off-take agreements.

SUMMARY OF THE JOINT VENTURE ARRANGEMENTS

Brightwater Joint Venture

Utafutaji Trading has acquired a 49 per cent equity interest in Brightwater. Brightwater's other principal shareholder, Cannosia, is the holder of a mining licence relating to the Qokolweni Quarry and has entered into an agreement to transfer (subject only to the consent of the Department of Mineral Resources in RSA, which has been applied for) this licence to Brightwater. Brightwater already complies with BEE Requirements since certain of its existing shareholders are qualifying persons for these purposes.

The Brightwater Shareholders Agreement was entered into between Brightwater and each of its shareholders, including Utafutaji Trading and Cannosia, on 24 August 2011.

For further details of the Brightwater Shareholders Agreement please see Part IV of the Document.

Glover Joint Venture

The Glover Shareholders Agreement was entered into between Glover, Utafutaji Trading and FMO and relates principally to the management and operation of, and the rights of Utafutaji Trading to acquire additional shares in, Glover, which holds a prospecting licence relating to mineral resources on land in the Limpopo region of RSA. The Glover Shareholders Agreement provides Utafutaji Trading with the right to acquire up to a 51 per cent equity stake (such percentage being subject to dilution to 44.24 per cent as a result of implementation of the Glover BEE Memorandum) in Glover upon provision of up to \$7 million funds to Glover in support of its operations (and a proportionately lesser stake if less than \$7 million is provided) over the next 30 months. The Glover Shareholders Agreement also provides options for Utafutaji Trading to increase its equity interest in Glover further, up to a maximum of 73.73 per cent (taking into account implementation of the Glover BEE Memorandum) by acquiring further shares from FMO at prices set out in that agreement.

REASONS FOR THE ACQUISITION AND THE DIRECTORS' COMMERCIAL ASSESSMENT

The Existing Directors believe that the Acquisition as detailed in this Document presents an opportunity to increase shareholder value.

The acquisition of Skiptons allows the Company to participate in two natural resource projects in South Africa: the Qokolweni Quarry as operated by Brightwater and the rare earths exploration project, owned by Glover. Brightwater is entitled to acquire from one of its principal shareholders, Cannosia (subject to the consent of RSA's Department of Mineral Resources) mining rights to stone aggregates at the Quarry and, subject to obtaining the necessary off take agreements, intends to establish quarrying activities to supply local infrastructure projects. The project should provide cash flow and assist in the Enlarged Group's other exploration activities.

The Glover REE project consists of potential near term production from historic stockpiles and then exploration on the in-situ rock surrounding these stockpiles. Snowden's have valued Utafutaji Trading's share in the Glover project (assuming the initial subscription of \$7 million is invested such that Utafutaji acquires, taking into account implementation of the Glover BEE Memorandum, an effective equity interest in Glover of 44.24 per cent) at £9.0 million which is a valuation only taking into account the Inferred Resource in the stockpiles. The opportunity for the Company to participate in additional drilling on the *in-situ* rock allows the opportunity to extract greater value from the Glover project. This valuation does not take into account any additional equity interest in Glover which Utafutaji may acquire pursuant to the options granted to it by FMO under the terms of the Glover Shareholders Agreement, which could enable Utafutaji to increase its effective equity interest in Glover to 73.73 per cent.

The Market for REE is expected to remain important to the world's needs as set out in detail in the Competent Persons Report.

In addition, the Acquisition allows the Company to benefit from the considerable experience of Skiptons' management team and the new board members. This team has a proven track record of delivering shareholder value on previous natural resource projects in Africa and the Board is delighted to have secured the services of these individuals.

On completion of the Acquisition the Group also intends to explore additional identified opportunities to invest in a number of companies which hold, or are applying for, mining licences in prospective manganese and iron ore projects in RSA.

EXPLORATION STRATEGY

Glover

As part of the JV agreement between Skiptons and Glover, Skiptons is committed to funding a work programme for the purpose of Project development.

The programme has been planned in three Phases. Phase 1 will comprise initial Conceptual and detailed exploration and development activities. Should the project prove prospective upon completion of Phase 1 detailed resource estimation, mining and flowsheet options analysis, selection and development and Definitive Feasibility Study (DFS) will be performed in Phase 2. The DFS will form the basis for Phase 3, project implementation.

Qokolweni quarry

As part of a JV agreement between Brightwater and owners of the Quarry mining right, Brightwater states its intention to fund a work programme for the exploitation of the mining rights to an amount of ZAR3 million. The budgeted work programme comprises a capital element of ZAR1,383,728, allocated to site establishment, and operating capital of allocated to overhead of ZAR254,324 per month.

A five-year business plan has been produced by Brightwater, which indicates that positive cash flows can be achieved at a production and sales rate of 800,000 m³ (cubic metres) per annum, using contract mining, and assuming a price range of product averaging ZAR150 per tonne.

Snowden believes that further studies would need to be undertaken, particularly regarding local competitors, marketing, transport and ex-mine prices, in order for the business case to prove its feasibility. Currently, less than 17 per cent of proposed Quarry production would meet existing demand from municipal and provincial/government tenders.

PROPOSED NAME CHANGE

Following completion of the Acquisition, the name of the Company will, subject to relevant shareholder approvals, be changed to **Galileo Resources Plc**.

SUMMARY OF ACQUISITION AGREEMENT

Pursuant to the Acquisition Agreement, the Company has agreed, conditional, *inter alia*, on Shareholder approval at the GM and Admission to AIM, to purchase the entire issued share capital of Skiptons in consideration of the issue to the Vendor of the Consideration Shares which, based on the Subscription Price of 23 pence per Ordinary Share, values Skiptons at £10.166 million.

The consideration for the Acquisition is the issue to the Vendor of 44.2 million new Ordinary Shares representing 62.52 per cent of the Enlarged Issued Share Capital. The Consideration Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions hereafter declared, paid or made on the Ordinary Shares.

THE SUBSCRIPTION LETTERS AND USE OF PROCEEDS

The Subscription Letters

The Company has entered into conditional Subscription Agreements with a number of existing and new shareholders in respect of 14,500,000 New Ordinary Shares to be issued at 23p per share to raise approximately £3.3 million. The Subscription Agreements are conditional, *inter alia*, on (a) the passing of the Resolutions, (b) the Acquisition Agreement having been completed in all respects; and (c) the London Stock Exchange having agreed to admit all of the Enlarged Share Capital to trading on AIM.

As part of the Subscription the Directors have participated in the Subscription as follows: Richard Wollenberg and his family have participated in the subscription by way of subscribing for 1,250,000

Ordinary Shares; Anthony Shakesby has participated in the subscription by way of subscribing for 50,000 Ordinary Shares; Derek Joseph has participated in the subscription by way of subscribing for 200,000 Ordinary Shares and Ian Reynolds has participated in the subscription by way of subscribing for 500,000 Ordinary Shares.

Furthermore the Company intends to settle outstanding and currently unpaid fees due to Richard Wollenberg amounting to £69,000 by issuing him with 300,000 new ordinary 5p shares at the equivalent of 23p per share (the “Reimbursement Shares”).

Use of Proceeds

The Company intends to use the proceeds of the Subscription along with the Company’s existing cash resources, amounting to a total of approximately £3.5 million to fund the costs of Admission, complete Phase 1 in connection with Glenover (as set out above and for which approximately £537,500 has already been provided to Glenover by the Company) and fund the maintenance of the Qokolweni Quarry and associated licences and permits whereby bringing the quarry to a stage where off-take agreements can be signed. Should Brightwater enter into any off-take agreements the Company estimates that it will require an additional amount of approximately £500,000 which would have to be raised as new equity or debt by the Company.

DIRECTORS, MANAGEMENT AND EMPLOYEES

The Directors

Following completion of the Proposals, Colin Bird will become Executive Chairman of the Company, Andrew Sarosi will become Technical Director (Qokolweni Quarry), Anthony Shakesby will remain as Finance Director and Chris Molefe and J Richard Wollenberg will become Non-Executive Directors. Ian Reynolds and Derek Joseph will resign as directors at that time. Their biographies are as follows:

Colin Bird, *Chairman and Chief Executive Officer (aged 67)*

Colin Bird has a Diploma in Mining Engineering, is a Fellow of the Institute of Materials, Minerals and Mining and is a certified mine manager both in the UK and in the United States of America. The formative part of his career was spent with the National Coal Board in the UK and thereafter he moved to the Zambia Consolidated Copper Mines and then to South Africa to work in a management position with Anglo American Coal. On his return to the UK he was Technical and Operations Director of Costain Mining Limited, which involved responsibility for gold mining operations in Argentina, Venezuela and Spain. In addition to his coal mining activities he has been involved in the management of mining nickel, copper, gold and other diverse mineral operations. He has founded and floated several public companies in the resource sector and served on resource company boards in the UK, Canada and South Africa. Notably he was on the board of Kiwara Plc which was successfully sold to First Quantum Plc in February 2010. In addition, he currently serves as Chairman of Jubilee Platinum, an AIM listed platinum exploration company with operations in South Africa.

Andrew Francis Sarosi, *Technical Director (Responsible for Qokolweni Quarry) (aged 71)* B.Sc. Metallurgy, M.Sc. (Eng.) University of the Witwatersrand, MIMMM

Andrew Sarosi is a mineral processing engineer and consultant with 40 years experience in mineral processing research and development, process and plant design, management of pilot to full scale operations and troubleshooting in gold, silver, tungsten, tin, copper, and zinc and diamond ore processing in Saudi Arabia, Ethiopia, South Africa, Botswana and the United Kingdom. Andrew is currently executive director of Jubilee and is on the board of other resource and exploration companies in South Africa – including the Tjate Platinum Mine project – Madagascar, Canada and Australia. Between 1978 and 1985 Andrew was the senior metallurgist for the Amax Hemerdon Tungsten-Tin project in the UK. In 1986 and 1995 he was mill superintendent at Mahd Ad’ Dahab Gold Silver Copper Zinc Mine in Saudi Arabia including research and process design of the zinc flotation extension to the mine. From 1990 to 1992 he consulted for Mackay and Schnellmann Limited as adviser to the Ethiopian Mineral Resources Development Corporations’s Lega Dembi Mine Project on its pilot plant operation and process flowsheet design, From 1996 he embarked on a career as an independent consultant and in August 2002 was appointed Technical Manager of Jubilee Platinum Plc and subsequently appointed to the main board in January 2006.

Anthony (Tony) Shakesby, *Finance Director (aged 55)*

Mr. Shakesby is a graduate chartered accountant, who qualified with Price Waterhouse in 1981. After training in Leeds, he spent time in the Sydney office before returning to the London office where he was responsible for a number of large quoted clients and undertook a wide range of corporate finance work. In 1989, he joined a quoted property and leisure company as a corporate planner, before moving as Finance Director to a quoted company in the health food business. In January 1997 he assisted Mr. Wollenberg in the reverse takeover of BDA Holdings Plc by Edge Properties Plc and further in 1998, 2000 and 2006, under the General Industries Plc name, he assisted Mr. Wollenberg in the reverse takeover and subsequent listing of HACAS Group Plc, The Celltalk Group Plc and Immupharma Plc respectively. As a self employed business consultant, Mr. Shakesby has acted as head of finance to a number of public and private companies in a variety of sectors, including support services, aviation, distribution and property. He is currently the Finance Director of Quest Aviation Services Ltd, an aviation holding company with trading subsidiaries in the UK and Germany.

J Richard Wollenberg, *Non-Executive Director (aged 63)*

Richard Wollenberg, was, between 1981 and 1996, an investment consultant with Brown Shipley Stockbroking Limited and has over the past 25 years, been actively involved in a number of corporate acquisitions, mergers and capital re-organisations of public and private companies. Mr. Wollenberg is currently Chairman and Chief Executive Officer of The Cardiff Property Public Limited Company, a quoted property investment and development company. In 2006, as Chairman, he floated the Company on PLUS. He was also a Non-Executive Director of Kiwara Plc alongside Colin Bird.

Christopher (Chris) Molefe – *Non-Executive Director (aged 62)*

B.Com (Unin); Post graduate diploma (University of Cape Town).

Mr. Molefe was formerly the Chief Executive of Royal Bafokeng Resources (Pty) Limited and is presently the Non-Executive Chairman of Merafe Resources Limited a publicly listed company on the JSE Securities Exchange, and a non-executive Director of Capital Oil (Pty) Ltd and Jubilee Platinum. Mr. Molefe has held several positions in corporate banking and industry for the previous 20 years. He commenced his career as Group Human Resource Manger at Union Carbide Africa Corporation. His subsequent positions include being the Manager of Corporate Affairs at Mobil Oil Southern Africa (Pty) Limited; an Executive Director at Black Management Forum; a Financial Analyst at Chase Manhattan Bank; the Marketing Manager at African Bank Limited; an Executive Manager at Transnet (Propnet) (Pty) Limited; and an Executive Director at Dipapatso Media (Pty).

Key Management

Alex Andersson – *Main Project Glenover (aged 37)* B.Sc Met Eng; MBA

Alex has 18 years experience in the minerals processing industry. After spending 2 years working in the minerals and automotive industries in South Africa, he joined Fer-Min-Ore in 1996 as a project engineer in its projects division. He took over general management of the division in 1999 and at the same time was admitted to the Fer-Min-Ore board. In 2001 he was admitted to the board of British Rema, UK, where he served until 2004. In 2003 he moved to France to complete his MBA at INSEAD where after he returned to FMO and took over the position of group CEO in 2009. He is currently chairman of the following FMO subsidiaries: The Combustion Group, Talis Platinum, FMO Process Plant and FMO Mineral Services. Utafutaji has engaged Alex Andersson as a senior management official on a fee of ZAR2,000 per month.

TAKEOVER CODE ON TAKEOVERS AND MERGERS

The Acquisition gives rise to certain considerations under the Takeover Code.

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeovers and merger transactions, however effected, where the offeree company is, *inter alia*, a public company with its registered office in the UK and whose place of central management and control is in the UK. General Industries Plc is such a company and its Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code (Rule 9) when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent or more of the voting rights of a company; or (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent of the voting rights of a company but does not hold shares carrying more than 50 per cent of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person shall extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5, to the holders of any class of security whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

An offer under Rule 9 must be in cash and at the highest price paid within the preceding twelve months for any shares in the company by the person required to make the offer or any person acting in concert with him.

The Panel has deemed the members of the Concert Party to be acting in concert for the purpose of the Takeover Code on account of them having worked together in the past and continuing to do so and by virtue of them tending to act in concert.

On completion of the Proposals (and including the Acquisition, Subscription, the issue of Reimbursement Shares and grant of Options), the Concert Party, will hold and/or be entitled to acquire all of the Consideration Shares, being 44,200,000 Ordinary Shares in aggregate, representing approximately 62.52 per cent of the Enlarged Ordinary Share Capital along with options to subscribe for 950,000 Ordinary Shares, representing a maximum potential holding representing approximately 63.01 per cent of the Fully Enlarged Ordinary Share Capital. The interest of the Concert Party in the Company following completion of the Proposals is as follows:

	<i>Number of Ordinary Shares on Admission</i>	<i>Percentage of Enlarged Share Capital</i>	<i>Number of Ordinary Shares assuming full exercise of the Options by the Concert Party</i>	<i>Percentage of Fully Enlarged Share Capital assuming full exercise of the Options by the Concert Party</i>
Colin Bird	44,200,000	62.52%	44,700,000	62.39%
Christopher Molefe	–	–	200,000	0.28%
Andrew Sarosi	–	–	250,000	0.35%
Total	44,200,000	62.52%	45,150,000	63.01%

Further information on the members of the Concert Party is set out above.

Accordingly, the issue of Ordinary Shares to the Concert Party on completion of the Proposals would normally give rise to an obligation on the Concert Party to make a Rule 9 offer to Shareholders immediately before the Proposals are implemented.

The Panel has agreed, however, to waive this obligation on the Concert Party to make a general offer to all Shareholders that would otherwise arise as a result of the Proposals subject to the passing on a poll by Shareholders of Resolution 3 set out in the Notice of General Meeting.

Following completion of the Proposals, the members of the Concert Party will, in aggregate, be interested in shares carrying more than 50 per cent or more of the Company's voting share capital and as a result, the Concert Party will be able to acquire interests in further shares without incurring any further obligation under Rule 9 to make a general offer.

The members of the Concert Party have not had any interest in securities of the Company in the 12 months preceding the date of this Document. The Rule 9 Waiver will be invalid if the Concert Party acquires an interest in securities of the Company in the period between the date of this Document and the GM. Accordingly, the members of the Concert Party have undertaken to the Company that they will not acquire an interest in securities in the Company during such period.

The Existing Directors have irrevocably committed to General Industries and Skiptons to vote in favour of the Resolutions to be proposed at the GM set out in the Notice of GM contained at the end of this Document, with the exception of Richard Wollenberg who will be excluded from voting on Resolutions 3 and 4. The Directors have an aggregate holding of 3,350,000 Ordinary Shares representing approximately 31.3 per cent of the Existing Ordinary Shares.

PROPOSED SHARE OPTIONS

The Company intends to grant share options as follows, subject to approval by the shareholders of the Company:

Unapproved Share Options (Proposed)

The following Unapproved Share Options are to be exercisable at £0.23 per share and are to be exercisable for a period of 5 years from the date of Admission.

<i>Name</i>	<i>Number of Options</i>
Colin Bird	500,000
Alex Andersson	250,000
Andrew Sarosi	250,000
Chris Molefe	200,000
Richard Wollenberg	2,500,000
Beaumont Cornish	100,000
Total	4,050,000

In addition, the Company intends to grant further unapproved options to certain employees of the Enlarged Group in respect of up to 2,000,000 Ordinary Shares at an exercise price of £0.23 per share.

ADOPTION OF NEW ARTICLES

Under the Act, various provisions which formerly appeared in the Company's memorandum of association were deemed to be incorporated into its Articles and Resolution 6 in the Notice of GM is intended to delete those provisions from its Articles by the adoption of the New Articles. The New Articles incorporate amendments to reflect, amongst other things, the provisions of the Act and changes to market practice and include technical changes in relation to the holding of, and the voting at, general meetings, electronic communications, conflicts of interest, the holding of uncertificated securities and the provision of indemnities by the Company and will also have the effect that the Company will no longer have an authorised share capital.

DIVIDEND POLICY

In the short to medium term, the Directors do not believe that the Company will be in a position to declare a dividend but will consider the payment of dividends as and when the amount of distributable reserves and profitability of the Company allows. The declaration and payment of any future dividends by the Company and the quantum thereof will be dependent upon the Enlarged Group's results, financial position, cash requirements, future prospects, profits available for distribution and other factors deemed by the Continuing Directors to be relevant at the time.

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Set out in Appendix 2 is an unaudited pro forma statement of net assets for the Enlarged Group showing the effects of the Acquisition and Subscription on the Group.

GENERAL MEETING

A GM is being convened at the offices of the Company, 56 Station Road, Egham, TW20 9LF on 26 September 2011 at 11 a.m at which the following resolutions will be proposed, of which Resolutions

1 to 4 inclusive will be proposed as ordinary resolutions and Resolutions 5 to 7 will be proposed as special resolutions of the Company:

- Resolution 1: (which will be proposed as an ordinary resolution) to approve the Acquisition, subject to the remaining Resolutions being passed;
- Resolution 2: to authorise the Directors to issue and allot the Consideration Shares, the Subscription Shares, the Reimbursement Shares and the Option Shares and in addition up to a further 50,000,000 Ordinary Shares;
- Resolution 3: (which will be taken on a poll) to approve the waiver of any obligation which might otherwise arise under Rule 9 of the Takeover Code for the Concert Party to make an general offer for the Company as a result of the Acquisition;
- Resolution 4: to approve the issue of 2,500,000 Option Shares to Richard Wollenberg, an Existing Director of the Company;
- Resolution 5: to disapply statutory pre-emption rights in respect of the issue and allotment of the Subscription Shares, the Reimbursement Shares and the Option Shares and in addition up to a further 50,000,000 Ordinary Shares;
- Resolution 6: to change the Company's name to **Galileo Resources Plc**;
- Resolution 7: to adopt the New Articles.

LOCK INS

The Proposed Directors and the Concert Party (the "Lock-In Parties") have undertaken to Beaumont Cornish and the Company not to dispose of any interest in Ordinary Shares for a period of one year from the date of Admission.

In addition, the Lock In Parties have undertaken to Beaumont Cornish and the Company not to dispose of any interest in Ordinary Shares for a period of one year from the anniversary of Admission without the prior written consent of Beaumont Cornish at its absolute discretion and through Beaumont Cornish as long as it shall remain the Company's Nominated Adviser ("the Orderly Market Undertaking").

The total number of shares subject to the lock-ins are 49,550,040 representing 70.08 per cent of the Enlarged Share Capital immediately after Admission.

RECOMMENDATION

The Existing Directors believe that: the Resolutions, as described in paragraph 23 of Part II of the Document, are each in the best interests of the Company and the Shareholders as a whole. **Accordingly, the Directors recommend Shareholders to vote in favour of each of the Resolutions, as they intend to do so in respect of their own beneficial holdings in respect of 3,350,040 Ordinary Shares representing 31.3 per cent of the Existing Ordinary Share Capital, with the exception of Richard Wollenberg who will not be voting on Resolutions 3 and 4 due to his interests in these resolution.**

The Existing Directors who have been so advised by Beaumont Cornish, consider that the Proposals are fair and reasonable and in the best interests of the Shareholders and the Company as a whole. In providing its advice, Beaumont Cornish has taken into account the Existing Directors' commercial assessments (as summarised above) and the valuation of Skiptons' net interest of the Glenover Stockpiles (as set out in the Competent Person's Report).

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time for receipt of Forms of Proxy for the General Meeting	24 September 2011
General Meeting	26 September 2011
Completion of the Acquisition	26 September 2011
Cancellation of admission to PLUS	5pm on 27 September 2011
Admission effective and commencement of dealings on AIM	8.00am on 28 September 2011
CREST accounts credited	28 October 2011
Despatch of definitive share certificates	14 October 2011

Note: All references to times in this timetable are to London times and each of the times and dates may be subject to change.

Number of Ordinary Shares in issue immediately following the Admission	70,700,040
Number of Options in issue following Admission	4,050,000
Expected market capitalisation on Admission	£16.26 million
International Security Identification Number (“ISIN”)	GB00B115T142
PLUS symbol prior to Admission	GEIO
AIM symbol immediately following Admission	GLR
Website on Admission:	www.gallileoresources.com

Conversion rates used in the Document (unless otherwise indicated) are set out as follows:
£:US\$ £:ZAR

1:1.6 1:11.5

Appendix 2

Unaudited Pro Forma Statement of Net Assets

The following unaudited pro forma statement of net assets of the Enlarged Group following the Acquisition and the Subscription has been prepared for illustrative purposes only to provide information about the impact of the Acquisition and the Subscription on the Enlarged Group and because of its nature may not give a true reflection of the financial position of the Enlarged Group. It has been prepared on the basis that the Acquisition and Subscription were undertaken as at 31 March 2011 on the basis set out in the notes:

<i>The Company</i> <i>As at 31 March</i> <i>2011</i> <i>(note 1)</i> <i>£</i>	<i>Skiptons</i> <i>As at 31 March</i> <i>2011</i> <i>(note 2)</i> <i>£</i>	<i>Adjustments</i> <i>Subscription</i> <i>Proceeds and</i> <i>Acquisition</i> <i>£</i>	<i>Pro Forma</i> <i>net assets of</i> <i>the Enlarged</i> <i>Group</i> <i>£</i>
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Non-current assets

Goodwill	–	–	9,644,739 ⁽³⁾	9,644,739
Other intangible assets			1,212,121 ⁽⁶⁾	1,212,121
Investments	361,757	–	436,471 ⁽⁴⁾	798,228
	361,757		11,293,331	11,655,088

Current Assets

Debtors	5,837	–	–	5,837
Cash and cash equivalents	831,434		2,598,529 ⁽⁵⁾	3,429,963
	837,271		2,598,529	3,435,800

Non-current liabilities

	–	(6,575)	–	(6,575)
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Current liabilities

	(5,297)	–	(1,212,121) ⁽⁶⁾	(1,217,418)
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Net assets/(liabilities)

	1,193,731	(6,575)	12,679,739	13,866,895
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Notes

- The net assets of the Company at 31 March 2011 have been extracted from the financial information set out in Part VII of this document.
- The net assets of Skiptons at 31 March 2011 have been extracted from the financial information set out in Part VIII of this document.
- Goodwill, being the excess of the fair value of consideration on the acquisition of Skiptons over the fair value of the net liabilities acquired, has been calculated as follows:

Fair value of consideration (44,200,000 shares at 23p per share)	£10,166,000
Less:	
Net assets of Skiptons at 31 March 2011	£(6,575)
Equity in investment in Utafutaji Trading 112 (Pty) Limited*	£527,836
	£521,261
	<u>£9,644,739</u>

* After 31 March 2011, Skiptons acquired the entire issued share capital of Utafutaji Trading 112 (Pty) Limited, which subscribed to shares in Glenover Phosphate (Pty) Limited of \$870,929. Upon consolidation and assuming an exchange rate of \$1.65/£1, this would result in an investment of £527,836 within the consolidated balance sheet of Skiptons.

- After 31 March 2011, investments within Utafutaji Trading 112 (Pty) Limited total £527,836, as calculated in note 3 above. As part of this, the convertible loan of £91,365 made by the Company to Glenover Phosphate (Pty) Limited is replaced by an intercompany balance. Therefore the net movement in investments totals £436,471.
- Net Subscription proceeds of £3,035,000 is assumed to be £3,335,000 gross Subscription proceeds (14,500,000 new Subscription Shares being issued at a Subscription Price of 23p per share) less admission costs of £300,000 (including VAT).

In addition, after 31 March 2011, the Company issued loans totalling £436,471 to Utafutaji Trading 112 (Pty) Limited to enable it to acquire shares in Glenover Phosphate (Pty) Limited.

Therefore the net movement in cash totals £2,598,529.

- After 31 March 2011, Utafutaji Trading 112 (Pty) Limited entered into a shareholders agreement with Glenover Phosphate (Pty) Limited, and committed to pay Fer-Min-Ore (Pty) Limited \$2 million for historical engineering work. Assuming an exchange rate of \$1.65/£1, this is likely to create an asset and liability in the consolidated balance sheet of Skiptons of £1,212,121.

Appendix 3***Additional Information*****Responsibility Statements under the Takeover Code**

The Company and the Directors whose names appear on page 18 of the Document accept responsibility for the information contained in this Document save for the information on the Concert Party (for which each member of the Concert Party is responsible). To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case) the information contained in the Document for which they are responsible (as above) is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

Each member of the Concert Party along with the director of Skiptons accept responsibility for the information contained in the Document relating to the Concert Party or otherwise expressly referable to the Concert Party. To the best of the knowledge and belief of the Concert Party and the director of Skiptons (who have taken reasonable care to ensure that such is the case) the information contained in the Document for which they are responsible (as above) is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

Significant Shareholders

Shareholder	As at the date of the Admission Document		Following Admission	
	Number of Ordinary Shares	Percentage of Issued Share Capital (%)	Number of Ordinary Shares	Percentage of Issued Share Capital (%)
Richard Wollenberg	1,550,000*	13.25	2,800,000**	3.96
Derek Joseph	500,020	4.27	700,020	0.99
Ian Reynolds	1,250,020	10.68	1,750,020	2.48
Julian C C Ashby	500,000	4.27	700,000	1.00
Brook Hall Ltd A/c JSS	400,000	3.42	400,000	0.57
Brook Hall Ltd A/c JS	418,000	3.57	418,000	0.59
Geiger Counter Limited	-	-	2,200,000	3.11
The Cardiff Property Plc***	900,000	7.69	900,000	1.27
Cheviot Capital (Nominees) Limited	699,000	5.97	949,000	1.34
Ferlim Nominees Limited A/c POOLED	670,000	5.73	670,000	0.95
Rock (Nominees) Limited A/c 0230233	520,000	4.44	1,000,000	1.41
Investec Wealth and Investment Ltd	970,000	8.29	1,330,000	1.88
Colin Bird	-	-	44,200,000	62.52

* Includes 250,000 ordinary shares held by Richard Wollenberg's close relatives

** Includes 500,000 ordinary shares held by Richard Wollenberg's close relatives

*** J Richard Wollenberg and his family are 41.96% shareholders in The Cardiff Property Plc

Appendix 4

DEFINITIONS

In this announcement and the Document, where the context permits, the expressions set out below shall bear the following meanings:

“Acquisition”	the proposed acquisition of the whole of the issued share capital of Skiptons
“Acquisition Agreement”	the conditional agreement dated 1 September 2011 between (1) the Vendor and (2) General Industries, a summary of the

	principal terms of which is set out in the Document
“Acquisition Shares”	the shares of Skiptons to be acquired by General Industries pursuant to the Acquisition Agreement
“Accountants' Reports”	the reports on the financial information relating to General Industries and Skiptons prepared by Saffery Champness, the Company's Reporting Accountants, as set out in Parts VII to XI of the Document
“Act”	the Companies Act 2006
“Admission”	admission of the New Ordinary Shares and the Existing Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by London Stock Exchange
“AIM Rules”	Together the AIM Rules for Companies, AIM Rules for Nominated Advisers and AIM Disciplinary Procedures and Appeals Handbook and the AIM Note for Mining, Oil and Gas Companies
“AIM Rules for Companies”	the rules of the London Stock Exchange governing admission to, and operation of, Companies on AIM
“AIM Rules for Nominated Advisers”	the rules of London Stock Exchange governing admission to, and operation of, Nominated Advisers on AIM
“Beaumont Cornish”	Beaumont Cornish Limited, the Company's Nominated Adviser and Broker, authorised and regulated by the Financial Services Authority
“BEE Requirements”	means the social upliftment requirements set out in the Mineral and Petroleum Resources Development Act 2002 (RSA), which requires, amongst other things, that 15% of the equity rights in any entity which holds mineral rights in RSA must be held by qualifying persons (historically disadvantaged persons) and 26% thereof be held by such persons by March 2015
“Board”	the existing board of directors of the Company, whose names are set out on page 18 of the Document
"Brightwater"	Brightwater Trade & Invest 55 Proprietary Limited a company incorporated under the laws of RSA, registration number 2010/012065/07
“Brightwater Shareholders' Agreement”	the shareholders agreement dated 26 August 2011 between Cannosia, Utafutaji Trading, the individual shareholders of Brightwater (who hold shares in Brightwater pursuant to BEE Requirements) and Brightwater and the Memorandum of Incorporation of Brightwater, details of which are set out in Part IV of the Document
"Cannosia"	Cannosia Trading 62 CC, a close corporation incorporated under the laws of the RSA under registration number 2008/043188/23
“Combined Code”	the Combined Code on Corporate Governance
“Company” or “General Industries” or “GI”	General Industries Plc, a company incorporated in England and Wales under registered number 05679987
“Competent Person” or “Snowden”	Snowden Mining Industry Consultants, South Africa an independent firm providing specialist mining industry consultancy services, whose details are set out in Part V of the

	Document
“Concert Party”	Colin Bird, Chris Molefe and Andrew Sarosi, being those parties deemed to be acting in concert under the Takeover Code
“Consideration Shares”	the 44,200,000 new Ordinary Shares to be issued to the Vendor on completion of the Acquisition
“CREST”	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form operated by Euroclear UK & Ireland Limited
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Current Articles”	The articles of association of the Company in force at the date of the Document
“Directors”	the Existing Directors and the Proposed Directors
“Document”	the admission document
“Engagement Letter”	The engagement letter dated 6 April 2011 and made between the Company and Beaumont Cornish further details which are set out in paragraph 10.1 of the Document
“Enlarged Group”	the Company, Skiptons and its subsidiaries on Admission following the Acquisition
“Enlarged Ordinary Share Capital”	the issued share capital of the Company upon Admission consisting of the Existing Ordinary Shares and the New Ordinary Shares
“Existing Directors”	John Richard Wollenberg- Chairman Derek Joseph- Director Ian Reynolds- Director Anthony Shakesby- Director
“Existing Ordinary Shares”	the 11,700,040 Ordinary Shares in issue on the Record Date
“Existing Shareholders”	the shareholders in the Company as at the date of the Document
“FMO”	Fer-Min-Ore Proprietary Limited incorporated in RSA with registered number 1999/004905/07
“Financial Services and Markets Act” or “FSMA”	the Financial Services and Markets Act 2000
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the GM
“FSA”	the Financial Services Authority
“Fully Enlarged Ordinary Share Capital”	the Enlarged Ordinary Share Capital plus the 950,000 options issued to the Concert Party
“General Meeting” or “GM”	the general meeting of the Company to be held at 56 Station Road, Egham, Surrey TW20 9LF at 11am on 26 September 2011
"Glenover Shareholders' Agreement"	the shareholders agreement dated 18 August 2011 between FMO, Utafutaji Trading and Glenover and the Memorandum of Incorporation of Glenover details of which are set out in Part IV of the Document
"Glenover"	Glenover Phosphate Proprietary Limited incorporated in RSA

	with registered number 1963/000788/07
“Glenover BEE Memorandum	the memorandum between Glenover, FMO, Utafutaji Trading and various individuals dated 17 August 2011 relating to the proposed issue of shares in Glenover such that Glenover satisfies its BEE Requirements, details of which are set out in Part IV of the Document
Introduction Agreement	the agreement dated 1 September 2011 and made between the Company, Beaumont Cornish, the Existing Directors and the Proposed Directors, further details which are set out in paragraph 10.9 of Part XIII of the Document
“Joint Venture Projects”	means the use of the rights granted by the Licences to mine the Qokolweni Quarry through Brightwater and to conduct mineral exploration of certain land in the Limpopo region of RSA through Glenover
“Licences”	the mining licence granted to Cannosia in respect of the Qokolweni Quarry (which that company has agreed to transfer (subject to regulatory consent) to Brightwater and the prospecting licence granted to Glenover relating to land in the Limpopo region of RSA
“Locked-in Parties”	The Proposed Directors and the Vendor
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
"New Articles"	the new articles of association of the Company proposed to be adopted by the Company pursuant to Resolution 6 set out in the Notice of General Meeting set out at the end of the Document
“New Ordinary Shares”	the Consideration Shares, the Reimbursement Shares and the Subscription Shares
“Nominated Adviser Agreement”	the agreement dated 1 September 2011 and made between the Company, Beaumont Cornish and the Directors further details which are set out in paragraph 10.11 of Part XIII of the Document
“Official List”	the official list of the UK Listing Authority
“Option Shares”	the 4,050,000 unissued Ordinary Shares in respect of which options (as described in paragraph 16 of Part II of the Document) are to be granted to the Proposed Directors and Beaumont Cornish on Admission
“Ordinary Share Capital”	the 11,700,040 Ordinary Shares in issue as at the date of the Document
“Ordinary Shares”	Ordinary Shares of 5p each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant

“PLUS”	PLUS Stock Exchange, as operated by PLUS Stock Exchange plc
“Proposals”	the Acquisition, the Resolutions, the Whitewash and Name Change
“Proposed Directors”	Colin Bird –Chairman and Chief Executive Officer Andrew Sarosi – Technical Director (Main Project Qokolweni Quarry) Anthony Shakesby- Finance Director Chris Molefe – Non-Executive Director John Richard Wollenberg- Non-Executive Director
“Qokolweni Quarry”	the Qokolweni Quarry in respect of which Brightwater is entitled to the mining rights as described in Parts IV and V of the Document
“Qualifying Shareholders”	Shareholders on the register of members of the Company at the Record Date
“RSA”	Republic of South Africa
“REE”	Rare Earth Elements or Rare Earth Metals
“Reimbursement Shares”	300,000 Ordinary Shares to be issued to John Richard Wollenberg credited as fully paid at the Subscription Price in full satisfaction of his accrued and unpaid director's fees as at 31 August 2011
“Resolutions”	the resolutions set out in the Notice of General Meeting set out at the end of the Document
“Saffery Champness”	Saffery Champness, the Reporting Accountants
“Sapila International”	Sapila International, a Mauritius registered company with the registered number 57554 C2/GBL
“Shareholders”	holders of Ordinary Shares
“Skiptons”	Skiptons Global Investment Limited (BVI) a company incorporated in The British Virgin Islands with registration number 1499111
“Snowden”	Snowden Mining Industry Consultants (Pty) Ltd
“Subscription”	the subscription of the Subscription Shares at the Subscription Price, details of which are set out in paragraph 13 of Part II the Document
“Subscription Price”	means 23p per Ordinary Share
“Subscription Shares”	14,500,000 new Ordinary Shares to be issued to subscribers pursuant to the Subscription
“Takeover Code”	The City Code on Takeovers and Mergers
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions and any state of the United States and the District of Columbia
“US Holders”	Shareholders who are US Persons
“US Persons”	US persons as defined in Regulation 5 under the US Securities Act

“US Securities Act”	the US Securities Act of 1933, as amended
“Utafutaji Trading”	Utafutaji Trading 112 Proprietary Limited (a company registered in RSA with registration number 2010/022865/07), a wholly-owned subsidiary of Skiptons
“Vendor”	Colin Bird, the owner of the entire issued share capital of Skiptons and one of the Proposed Directors.
“Waiver” or “Whitewash”	the consent of the Panel to waive any obligations on the Vendor to make a mandatory offer to Shareholders for the Ordinary Shares not owned by the Vendor upon completion of the Proposals, which would otherwise arise under Rule 9 of the City Code as a result of the acquisition of Ordinary Shares by the Vendor in connection with the Proposals.

TECHNICAL GLOSSARY

GLOSSARY OF TECHNICAL TERMS, ABBREVIATIONS AND UNITS (T10)

Glossary

Alkaline	Igneous rock that has a high proportion of sodium and potassium.
alteration	A change in mineralogical composition of a rock commonly brought about by reactions with hydrothermal solutions or by pressure changes.
Ankerite	A calcium, iron, magnesium, manganese carbonate mineral (Ca(Fe, Mg, Mn)(CO ₃) ₂)
anomalous	A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.
Apatite	A calcium-phosphate mineral, with formula Ca ₅ (PO ₄) ₃ .
Arenite	A sedimentary clastic rock with a grain size of 0.0625 mm to and 2 mm and contains less than 15% matrix material
Archean	The oldest rocks of the Earth’s crust – older than 2,400 million years.
Arcuate	Having the shape of a bow or curve.
Basement	Crust of the earth underlying younger sedimentary deposits.
basket price	gross revenue per recovered rare earth element (in kilogram’s)
Beforsite	Ankerite rich carbonatites
Biotite	A common phyllosilicate mineral from the mica group (K (Mg,Fe) ₃ AlSi ₃ O ₁₀ (F,OH) ₂)
Breccia	A rock composed of broken fragments of minerals or rock cemented together by a fine-grained material (matrix)
chemical symbols	La – Lanthanum Nd – Neodymium Pr – Praseodymium

Carbonatite	Intrusive or extrusive igneous rocks defined by a mineralogical composition consisting of greater than 50 % carbonate minerals
Clastic	Rocks that are composed of fragments, or clasts, of pre-existing rock
Competent Person / CP	A person with requisite knowledge and relevant experience in a particular type of commodity and mining work that meets minimum requirements for internationally recognized procedures and standards.
Competent Persons Report	A report produced by a CP, typically submitted as part of the listing documents.
Competent Valuator	A Competent Valuator is a person who possesses the necessary qualifications, ability and sufficient relevant experience in valuing mineral assets.
concentrate	Product obtained after metallurgical processing.
concentrate grade	Mass of economic minerals by mass of final concentrate.
Conglomerate	A rock consisting of individual clasts within a finer-grained matrix that have become cemented together. Conglomerates are sedimentary rocks consisting of rounded fragments and are thus differentiated from breccias, which consist of angular clasts
contact (geological)	The surface between two different rock types.
cut-off / cut-off grade	The lowest grade of ore that can be exploited economically from an ore body.
diamond (core) drilling	Method of obtaining rock core by drilling with a diamond impregnated bit.
Diopside	A monoclinic pyroxene mineral with composition $(MgCaSi_2O_6)$
Dolerite	A mafic, holocrystalline, subvolcanic rock equivalent to volcanic basalt or plutonic gabbro
dip	Inclination of a geological feature to the horizontal.
dolerite	A medium grained basic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
downthrow	See Throws.
dyke	A body of intruding igneous rock that cross cuts the host strata at a high angle.
fault	A fracture in rocks along which rocks on one side have been moved relative to the rocks on the other.
feldspar/ feldspathic	Alumino-silicate minerals that vary between white and pinkish colours and form the bulk of granite rocks.
felsic	Light coloured rock containing an abundance of any of the following; feldspars, feldspathoids and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
gabbro	Coarse grained igneous rock containing any of the following minerals: feldspar (typically calcic plagioclase), pyroxene and/or olivine. Gabbro is sometimes referred to as a norite, depending on the type of pyroxene present.
geological losses	Any part of known or unknown geological features (e.g. faults and dykes) which disturb mining operations and will not be mined.
graben	A depressed block of land bordered by parallel faults.
granite	A medium to coarse-grained felsic intrusive rock, which contains 10% - 50% quartz.

greenfield	Area where no mining activity has previously taken place.
Hematite	The mineral form of iron(III) oxide (Fe_2O_3)
igneous rocks	Rocks formed by the solidification from a molten or partially molten state.
in-situ	The original, natural state of the orebody before mining or processing of the ore takes place.
Indicated Resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity but are spaced closely enough for continuity to be assumed.
Inferred Resource	An 'Inferred Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and sampling and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.
intrusion / intrusives	A body of igneous rock that invades older rocks.
Karst topography	A geologic formation shaped by the dissolution of a layer or layers of soluble bedrock, usually carbonate rock
Listing Requirements	AIM Listing Requirements
lithology	A term pertaining to the general characteristics of rocks. It generally relates to descriptions based on hand-sized specimens and outcrops rather than microscopic or chemical features.
Lutite:	A sedimentary clastic rock with clay or silt grain size less than 1/16 mm
mafic (composition)	Igneous rocks composed dominantly of iron and magnesium minerals.
magma	Naturally occurring molten rock, generated within the Earth and capable of intrusion and extrusion.
magnetite	An oxide mineral that is strongly magnetic, with chemical formula Fe_3O_4 .
Matrix:	The finer grained mass of material in which larger grains or clasts are embedded
Measured Resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
melanorite	An igneous rock (i.e. a norite) that has 60% to 90% dark minerals.
metamorphism (metamorphic rocks)	The process by which changes are brought about in earth's crust by the agencies of heat, pressure and chemically active fluids.
metasediment	Metamorphosed sedimentary rock.

Mineral Resource	A concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured categories.
Mineral Reserve	A 'Mineral Reserve' is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It includes diluting materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project, or a Life of Forecast Plan for an operation, must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.
modifying factor	Factors, including mining, metallurgical, economic, marketing, legal, environmental, social and governmental considerations that affect quantification of mineral reserve.
motherhole	An original drill hole from which other deflections may be drilled.
olivine	A mineral silicate composed of magnesium, iron, manganese and minor amounts of nickel, with chemical formula Mg_2SiO_4 .
outcrop	Exposure of rock, reef or mineralisation on surface.
pegmatoid/ pegmatoidal	An igneous rock that has the coarse-grained texture of a pegmatite but that lacks graphic intergrowths or typically granitic composition.
plagioclase	A series of triclinic feldspars with composition in the range $NaAlSi_3O_8$ to $CaAl_2Si_2O_8$. Feldspars are framework alumina-silicates of sodium, potassium and calcium, and are the most abundant mineral group in the Earth's crust.
Precambrian	An era of the geological time scale, aged older than approximately 570 million years.
Probable Reserve	Defined by the SAMREC Code as the economically minable material derived from a Measured or Indicated Mineral Resource or both. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It includes diluting and contaminating material and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project or a Life of Mine Plan for an operation must have been carried out, including consideration of and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed.
Proved Reserve	Defined by the SAMREC Code as the economically mineable material derived from a Measured Mineral Resource. It is estimated with a level of confidence. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project or a Life of Mine Plan for an operation must have been carried out including considerations of, and modification by, realistically assumed mining, metallurgical, economic marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed.
pulp(s)	Pulverised or ground ore in solution or suspension in water.

pycnometer	A vessel of a precise volume used to measure the density of liquids or solids.
pyroxenite	A dark coloured igneous rock composed almost entirely of the mineral pyroxene.
quartz	Mineral species composed of crystalline silica.
quartzite	A metamorphosed sandstone, composed almost entirely of crystalline silica.
remote sensing	The recording of images of parts of the Earth's surface using electromagnetic radiation, normally from an aircraft or satellite at sufficient height for a broad area to be covered. Includes passive aerial photography and imagery using multispectral scanners and thematic mappers, as well as active techniques, such as radar, which shows the topographic texture of terrain in the presence of cloud cover, etc.
sedimentary rock	Rocks formed by deposition of particles carried by air, water or ice.
sulphides	Minerals consisting of a chemical combination of sulphur with a metal.
syenite	An igneous rock that principally consists of alkali feldspars usually with more than one mafic mineral.
tailings	That portion of the ore that is low in value and is rejected during the concentrating stage.
take-off	A type of link, whereby a supply pipe is connected to a main water supply pipe.
throws	Vertical displacement on a geological structure (e.g. dykes and faults). A downthrow occurs when, as one advances, the reef horizon has moved down relative to your initial position. The converse is true for an upthrow.
waste rock	Barren rock or mineralized material that is too low in grade to be economically processed.
water balance	In hydrology, a water balance equation can be used to describe the flow of water in and out of a system. A system or model can be one of several hydrological domains, such as a column of soil or a drainage basin.
weathering	The breakdown of rocks and minerals caused by the action of atmospheric elements such as water and air.

Abbreviations

2009B, 2011F	2009 Budget, 2011 Forecast
BEE	Black Economic Empowerment
CP	Competent Person
CPR	Competent Persons Report
DMR	Department of Mineral Resources
DTM	digital terrain model
DVD	Digital Video Disc
DWA	Department Water Affairs
EIA	environmental impact assessment
EMP	environmental management programme

EOH	End of hole
FW	Footwall
GBP	British pound sterling
GPS	Global Positioning System
HDSA	Historically Disadvantaged South African
hectare	Ha
HREE	Heavy rare earth elements
JV	Joint Venture
LCD	Liquid crystal display
LED	Light emitting diode
LREE	Light rare earth elements
M	Million
mamsl	metres above mean sea level
Mgmt	Management
Mining Charter	Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry
MPRDA	Minerals and Petroleum Resources Development Act, Act No. 28 of 2002
MSAIMM	Member of South African Institute of Mining and Metallurgy
N/A	Not available
NEMA	National Environmental Management Act, Act No. 107 of 1998
OK	Ordinary Kriging
PR	Prospecting Right
Ptn	Portion
QA/QC	Quality Assurance-Quality Control
QC	Quality Control
QQ	Quantile-Quantile
REEs	Rare earth elements
REOs	Rare earth oxides
R24	Regional road No.24
ROM	Run of Mine
RSA	Republic of South Africa
SAIMM	South African Institute of Mining and Metallurgy
SAMREC Code	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2007 Edition, as amended in July 2009
SAMVAL Code	South African Code for the Reporting of Mineral Asset valuation, as amended in July 2009
SABLE	Standardised Approach to Borehole Logging for Exploration
SANAS	South African National Accreditation System
SARS	South African Revenue Services
SLP	social and labour plan
SV#	SAMVAL Code naming convention/ referencing
TREOs	Total rare earth oxides

T#	SAMREC Code naming convention/ referencing
US\$	United States Dollar
ZAR	South African Rand
ZAR1 M	One million South African Rand

UNITS

°	Degree
°C	degrees Celsius
%	Percent
cm	Centimetre
g/cm ³	grammes per cubic centimetre
g/t	grammes per tonne
km	Kilometre
km ²	square kilometre
kt	kilotonnes
ktpm	kilotonnes per month
mamsl	metres above mean sea level
M	million
m	metre
m ²	square metres
m ³	cubic metres
m ³ /month	cubic metres per month
m ³ /s	cubic metres per second
mm	millimetre
Moz	million ounces
Mt	million tonnes
Mtpa	million tonnes per annum
oz	ounce
pa	per annum
ppm	parts per million
t	tonnes
tpm	tonnes per month
US\$	United States Dollar
ZAR or R	South African Rand