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14 December 2021

East Star Resources plc

("East Star" or the "Company")

Publication of Prospectus

Notice of General Meeting to Approve the Acquisition

Fundraise of £3,100,000

Proposed Waiver of Rule 9 of the Takeover Code

Proposed Appointments and Resignations

Capitalised terms used in this announcement shall have the same meaning as set out in the prospectus dated 14 December 2021

Prospectus Publication

Further to the announcements on 19 July 2021 and 26 October 2021, East Star is pleased to announce that the Financial Conduct Authority has today approved the publication of its Prospectus issued in connection with:

- the terms of the proposed Acquisition of Discovery Ventures Kazakhstan Limited ("**DVK**") pursuant to which the consideration for the acquisition is to be satisfied in full by the issue of 45,000,000 Ordinary Shares in the Company (the "**Consideration Shares**"). The Sellers shall have the right to receive an additional 75,000,000 Ordinary Shares (the "**Performance Shares**") upon the confirmation of a mineral resource on one of the Licences of at least one million ounces of gold equivalent at an average grade of at least two grammes per tonne of gold equivalent;
- the placing and subscription of a total of 62,000,000 Ordinary Shares at a subscription price of 5 pence each, raising gross proceeds of £3,100,000;
- the proposed re-admission of the enlarged share capital of 182,250,164 Ordinary Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange's Main

Market ("**Admission**"). Application will be made for the Ordinary Shares to be issued pursuant to the Fundraise to be admitted to trading on the Main Market of the London Stock Exchange; and

- the notice convening a General Meeting of the Company which is to be held at the offices of Hill Dickinson LLP located at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW at 10:30 a.m. on 5 January 2022.

Sandy Barblett, Chairman of East Star Resources Plc, commented:

"We are excited to see this transaction reaching its final stages following an oversubscribed fundraising. We are delighted that investors clearly share our belief in the opportunity which exists in Kazakhstan today to discover and develop tier-1 gold and base metal deposits by applying modern geophysics and exploration concepts. We are looking forward to progressing an intensive work programme over DVK's existing highly prospective tenements while growing our footprint in-country."

Availability of the Prospectus

The Prospectus will be sent to shareholders and will also be made available shortly online at www.east-star-resources.com (subject to applicable securities laws). An electronic copy of the Prospectus will also be submitted to the National Storage Mechanism as maintained by the FCA and should be available shortly for inspection at <https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism>

General Meeting

East Star has today published a prospectus in relation to the matters described above and has convened a general meeting of East Star's shareholders at 10:30 a.m. on 5 January 2022 at the offices of Hill Dickinson LLP located at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW. A notice of the general meeting is included in the Prospectus and a form of proxy will be provided to shareholders. East Star will make arrangements for such documents to be posted. The purpose of the General Meeting is to consider and, if thought fit, pass the Resolutions, in each case as set out in full in the notice of General Meeting, including, inter alia:

- **Resolution 1:** will be proposed as an ordinary resolution and seeks to approve a waiver granted by the Panel on Takeovers and Mergers of the obligation that would arise under Rule 9 of the City Code on Takeovers
- **Resolution 2:** will be proposed as an ordinary resolution and seeks to approve the acquisition by East Star of the entire issued share capital of DVK
- **Resolution 3:** will be proposed as an ordinary resolution to authorize the Directors to issue the New Shares and the Performance Shares (subject to the Performance Condition), and to grant warrants to advisers and a total of 11,250,000 options to directors, employees and management of the enlarged group
- **Resolution 4:** will be proposed as an ordinary resolution to authorize the Directors to issue shares or grant rights over shares representing

20 per cent of the aggregate value of the ordinary shares in issue as the close of the first day following Admission

- **Resolution 5:** will be proposed as a special resolution to dis-apply pre-emption rights in respect of the allotment of shares authorized pursuant to Resolution 3
- **Resolution 6:** will be proposed as a special resolution to dis-apply pre-emption rights in respect of the allotment of shares authorized pursuant to Resolution 4

Resolution 1 will need to be approved by Independent Shareholders voting on a poll. It is expected that Admission will become effective and that dealings will commence at 8:00 a.m. on 10 January 2022.

Trading in the Company's Ordinary Shares will remain suspended pending completion of the General Meeting (as set out in the Timetable below).

Fundraise

Conditional on Admission, the Company has raised gross proceeds of £3,100,000 in an oversubscribed fundraising, via the issue of 62,000,000 Ordinary Shares, which have been conditionally placed at the Fundraising Price of £0.05, by way of a placement of 38,050,000 Ordinary Shares by Peterhouse Capital, Orana Corporate, Vendors of DVK, and direct subscription with the Company for 23,950,000 Ordinary Shares.

East Star is a company incorporated in England and Wales with company number 13025608. The Ordinary Shares are registered with ISIN GB00BN92HZ16, SEDOL code BN92HZ1 and TIDM is EST.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of the Prospectus	14 December 2021
Date for return of forms of proxy	10:30 a.m. on 31 December 2021
General Meeting of the Company	10.30 a.m. on 5 January 2022
Results of the General Meeting	11:00 a.m. on 5 January 2022
Completion of the Acquisition	10 January 2022
Re-Admission and commencement of dealings in the Enlarged Ordinary Share Capital	8.00 a.m. on 10 January 2022
CREST members' accounts credited in (where applicable)	8.00 a.m. on 10 January 2022
Dispatch of definitive share certificates for Shares (where applicable)	by no later than 10 days from Admission

ADMISSION STATISTICS

Shares in issue as at today's date	69,540,164
Total Placing Shares	38,050,000
Total Subscription Shares	23,950,000
Total Consideration Shares to be issued on Admission	45,000,000
Total Ilwella Loan Shares to be issued on Admission	5,350,000
Total Fee Shares to be issued on Admission	360,000
Enlarged Ordinary Share Capital	182,250,164
Percentage of Enlarged Ordinary Share Capital represented by Fundraising Shares	34.0%
Total number of Options	11,250,000
Total number of Founder Warrants	6,000,000
Total number of Broker Warrants	2,767,500
Total number of Orana Warrants	6,046,005
Total Warrants in issue on Admission	14,813,505
Total number of Options and Warrants	26,063,505
Total Performance Shares capable of being issued following Admission	75,000,000
Fully Diluted Ordinary Share Capital on Admission	283,313,669
Percentage of Fully Diluted Ordinary Share Capital represented by Warrants	5.2%
Fundraising Price per New Share	£0.05
Estimated Net Proceeds received by the Company	£2,604,135
Estimated transaction costs	£513,865
Expected market capitalisation of the Company on Admission at the Fundraise Price	£9,112,508

Directors immediately on and following Re-Admission

On Admission, Charles Wood will stand down as a Director of the Company. Alexander ("Alex") Walker and David Minchin will be appointed as Directors of the Company with effect from Admission and are referred to in this announcement as the Proposed Directors. Biographies for the Proposed Directors are set out below.

Alex Walker, Age 37 (Chief Executive Officer)

Alex Walker is an investment banker and resources executive with more than 14 years' experience in natural resources investment with Norwegian Bank, Pareto Securities, London-based investment bank, Brandon Hill Capital and Australian broking firm Patersons Securities. Mr. Walker co-founded and was the General Manager of ScandiVanadium Ltd. He was also involved in the process of listing ScandiVanadium Ltd on the Australian Securities Exchange.

Mr. Walker holds a MSc in Mineral and Energy Economics from Curtin University of Technology, Graduate Diploma of Applied Finance, BComm, BSocSci, and is a Graduate of the Australian Institute of Company Directors.

David Minchin, Age 40 (Non-executive Director)

David Minchin is a geologist with over 15 years' experience in production, exploration, and resource investment. Mr. Minchin has worked for Rio Tinto and the British Geological Survey, as well working as Senior Exploration Geologist for ICL-Boulby where he was closely involved in the discovery of

the 3.2 billion tonne polyhalite deposit that was subsequently put into production and extended operating mine life by over 30 years.

Mr. Minchin has worked as Director of Geology for AMED Funds, a London based private equity group that focuses on exploration projects in Africa. In this role, Mr. Minchin was part of the team responsible for investing and monitoring approximately USD 450 million in projects from exploration through to feasibility and across a range of commodities.

Mr. Minchin is currently CEO of Helium One Global Limited, an AIM quoted company developing a significant primary helium project in Tanzania and was formerly Managing Director of ASX-listed ScandiVanadium.

<i>Director/Key Management Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Anthony Eastman	Windyhollows Limited Extrax Limited Critical Metals Plc Orana Corporate LLP Graft Polymer (UK) Limited Graft Polymer IP Limited Vaxeal Immunotherapy Ltd MGC Pharma (UK) Ltd Tournesol Consulting Ltd NTSU Gems UK Limited	Kore Genetics Limited Anubis Pharma Limited Mute International Limited Caracal Gold Plc (previously named, Papillon Holdings Plc) Thrivanta Investments Plc Beyond Diamonds Limited (previously named Kore Genetics Limited)
Sandy Barblett	Ironbridge Capital Partners LLP Envirostream (UK) Limited Arwon Capital (UK) Limited TECC Capital plc Sandonjo Capital Plc IAMFIRE Plc Rottnest Foundation London Chapter Limited	Brandshield Systems Plc Scirocco Energy Plc Blenheim Natural Resources Limited Rogue Baron Plc Opus Media Services Ltd Bioworks Plc
Alex Walker	ScandiVanadium Sweden AB Heavy Minerals Ltd Discovery Ventures Kazakhstan Ltd ASK Green Energy Ltd	ScandiVanadium Ltd (UK) Walk On Fitness Ltd
David Minchin	Helium One Global Ltd Scandivanadium Australia Pty Ltd ScandiVanadium Ltd (UK) ScandiVanadium Ltd Pty (Australia)	ScandiVanadium Ltd Pty (Australia)

For further information, please visit <http://www.east-star-resources.com/> or contact the following:

East Star Resources PLC

Sandy Barblett
Tel: +44 (0)20 3918 8792

Peterhouse Capital Limited (Corporate Broker and Placing Agent)

Duncan Vasey / Lucy Williams
Tel: +44 (0) 20 7469 0930

Vigo Consulting (Investor Relations)

Ben Simons / Oliver Clark
Tel: +44 (0)20 7390 0234

Notes

No offer of securities

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Important notices relating to advisers

Peterhouse Capital Limited ("Peterhouse"), has been appointed by the Company as a broker and placing agent in connection with the Placing. Peterhouse is also providing independent financial advice to the Directors for the purposes of Rule 3 of the City Code. Peterhouse is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to Admission and the arrangements referred to in this Document. Peterhouse will not regard any other person (whether or not a recipient of this Document) as its client in relation to Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Peterhouse or for providing any advice in relation to Admission, the contents of this Document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by Peterhouse for the accuracy of any information or opinions contained in this Document or for the omission of any material information, for which it is not responsible.

Forward-looking statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology,

including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the [announcement] and include statements regarding the intentions, beliefs or current expectations of the Company and the Board of Directors concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to any acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not a guarantee of future performance. The Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this [announcement]. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this [announcement], those results or developments may not be indicative of results or developments in subsequent periods.

Prospective Investors should carefully review the "Risk Factors" section of [the Prospectus] for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph [15] of "Part XI - Additional Information".

Forward looking statements speak only as at the date of this [announcement]. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules), the Company expressly disclaims any obligation to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any changes in events, conditions or circumstances on which any statement is based unless required to do so by law or any appropriate regulatory authority, including, FSMA, the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and UK MAR.

Transaction conditions

Completion of the Transaction is subject to the satisfaction of certain conditions as more fully described in the Prospectus. Consequently, there can be no certainty that completion of the Transaction will be forthcoming.

Transmission of this announcement and the Prospectus

Neither this announcement, the Prospectus, nor any copy of either of them may be taken or transmitted directly or indirectly into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction. Any failure to comply with this restriction may constitute a violation of such laws or regulations. Persons into whose possession this announcement, the Prospectus or other information referred to therein comes, should inform themselves about, and observe, any restrictions in such laws or regulations.

Compliance with laws

This announcement and the Prospectus have been prepared for the purpose of complying with the applicable laws and regulations of the United Kingdom and information disclosed may not be the same as that which would have been disclosed if this announcement or the Prospectus had been prepared in

accordance with the laws and regulations of jurisdictions outside the United Kingdom.

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