

To: RNS
From: Global Resources Investment Trust plc
Date: 24 July 2018
Subject: Annual General Meeting Statement
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Annual General Meeting Statement

At the Company's Annual General Meeting ("AGM") yesterday afternoon, all eight Ordinary Resolutions put to the meeting were passed, while two special Resolutions relating to the disapplication of pre-emption rights and buying back of shares were voted down. The detailed voting analysis is contained in the table below:

Resolution	Votes for	%	Votes against	%	Votes total	% of ISC voted	Votes withheld
RES:001	19,090,795	100	Nil	0.0	19,090,795	45.49	12,561,896
RES:002	19,090,795	100	Nil	0.0	19,090,795	45.49	12,561,896
RES:003	19,090,795	100	Nil	0.0	19,090,795	45.49	12,561,896
RES:004	19,090,795	100	Nil	0.0	19,090,795	45.49	12,561,896
RES:005	19,090,795	100	Nil	0.0	19,090,795	45.49	12,561,896
RES:006	19,090,795	100	Nil	0.0	19,090,795	45.49	12,561,896
RES:007	19,090,795	60.31	12,561,896	39.69	31,652,691	75.43	Nil
RES:008	19,090,795	100	Nil	0.0	19,090,795	45.49	12,561,896
RES:009	19,090,795	60.31	12,561,896	39.69	31,652,691	75.43	Nil
RES:010	19,090,795	60.31	12,561,896	39.69	31,652,691	75.43	Nil

The Company's largest shareholder, Mardasa Nominees Pty Ltd, had submitted a list of 36 questions in advance of the meeting. These questions and the answers provided to them are attached to this AGM Statement.

A number of supplementary questions were asked and the Executive Director gave a brief portfolio update, which included the current carrying values of Anglo-African Minerals plc (£2.2m), Kalia Limited (£2.1m) and Siberian Goldfields (£1.3m). The Company's other investments have a carrying value of £0.4m.

Mardasa Nominees Pty has requisitioned a General Meeting of the Company which will be held on 22 August 2018.

All Enquiries:

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Executive Director
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GRIT AGM Questions 23rd July 2018 – Mardasa Nominees Pty Ltd

Resolution 1- Adoption of Directors Report and Financial Statements

Strategic Review

1. Does the board see any need to amend, or qualify, the viability statement in the 2017 Financial Statements?

2. If no, why not? If yes when and how?
3. Has the board advised its auditors that subsequent to the signing of their audit report on 27 April GRIT was called upon to repay Tygola US\$500,000 + interest?
4. If no, why not? If yes, what was their response?
5. What terms has GRIT agreed with AAM for the amounts paid to Tygola including interest, repayment date etc?
 - i) Has an agreement been signed between GRIT and AAM?
 - ii) How will these amounts be recorded in the financial statements of GRIT and the NAV?
 - iii) Is this allowed under the investment policy of GRIT?
6. In the viability statement it is stated that "*The Directors have concluded that the Company would be able to meet its ongoing operating costs as they fall due..*" This is assessed for a period of 2 years from Balance date and includes reviewing a "*cash flow forecast for the next 24 months which looks positive*"

Do the Directors still believe this statement to be true?

7. Can you please provide a copy of the 24 month cash flow forecast that was provided to the Directors to all shareholders? (Note. *The viability statement says "The Directors have reviewed the cash flow forecast for the next 24 months which looks positive unless there is a significant economic change"*)
8. Do the Directors consider being called upon to pay a US\$500,000 guarantee that they expected to "*fall away*" a "*significant economic change*"?
9. Page 9 states "*The Executive Director also provides the Board and shareholders with monthly factsheets which include an investment commentary*"
Will the Executive Director please provide the last 12 months of these "*factsheets*" to all shareholders at the AGM. (Note the last newsletter on the website is dated September 2015)
10. Have the Directors considered de-listing and distributing the assets of the company to shareholders?

If yes, what have they concluded?

If not, would they consider this a prudent strategy?
11. The Chairman has, on previous occasions, mentioned that the company has been looking at other potential investments which could involve the company acquiring a cash generating asset. Please provide further information on this strategy, including how the company would pay for it, and how this would fit into the company's investment policy?

Directors Report

12. **Disclosure of information to the Auditor.** Was the auditor made aware on the date of signing the report Anglo-African Minerals was in default of its secured loan obligations to Tygola Pty Ltd and had not paid interest due under its facility with World Class Holdings?

Investment Portfolio Valuation

13. It is stated in the Chairman's statement that each of the Company's three largest investments, Siberian Goldfields, Anglo- African Minerals and Kalia Holdings "*represent significant opportunities for the Company*". Can you please explain the significant opportunities for each company and how the Directors intend to take advantage of them?
14. How often are the valuations of unlisted investments reviewed?
15. Anglo-African Minerals plc.
 - i) What is the value per share used for valuation of the equity component of the holding in AAM?

- ii) How was this value determined?
 - iii) When was the last trading of the shares in AAM?
 - iv) The Executive Directors Review states *"the company's independent consultants, SRK, have recently completed new measured mineral resources estimates"*. Has AAM received the reports on the estimates from SRK?
 - v) Has AAM the funding *"to complete the Mining Convention for the FAR project"* that the Executive Director says the company is working on?
16. Siberian Goldfields.
- i) What are the *"published industry guidelines"* and *"current market data"* used to justify the carrying value of £1,813,000 for this company?
 - ii) Noting that this asset was valued at £2.9 million at 31/12/16, does the board believe that there is any further need for impairment of this valuation?
 - iii) Has the Executive Director has any recent discussions with Tony Williams or any other representative of Siberian Goldfields?
 - iv) What is the status of the pre-IPO fundraising?
 - v) Have any funds been committed to the pre-IPO fundraising?

Financial Statements

17. Income. What is the split of interest income between AAM and Siberian Goldfields?
18. Why is there a loan to AAM of £390,000 shown at note 9 of the financial statements? Noting that this amount is shown in the cash flow as *"investing activities"*, is this amount included in the investment portfolio?
19. I understand that GRIT has loaned funds to AAM unsecured and interest free, what is the Directors rationale for doing this?
20. Do the Directors believe that funding a mining exploration company via debt is the correct strategy?
21. Page 30 under *"Going Concern"* states that the company has had negative cash flow since inception and the company has relied on the sale of investments to generate cash needed to continue to operate.
What cash will the company require to continue to operate over the next 24 months?
How does the company intend to raise this cash?
22. Note 4. Other expenses are shown as £453,000 for 2017, what is the estimate of expenses for the 2018 year?
23. £88,000 was spent on legal fees in 2017, this is almost 20% of total *"other expenses"* which seems like an extraordinary amount. Can you please provide a breakdown of these expenses?
24. What are the legal expenses for the company from 1 May 2018 to date?
25. Note 8.
"Siberian Goldfields has been valued based on the funding level at which the investee company is currently seeking equity fundraising"
- i) How long has Siberian been seeking funding?
 - ii) Has anyone committed to any funding at this price?
"Anglo- African Minerals has been valued at the last traded price for the company's shares, although the company is about to complete a new fundraising which may have an impact on the carrying value of this investment"
 - iii) Is the fundraising likely to increase, or decrease, the carrying value of the investment?
 - iv) Have the Directors of GRIT (2 of which are Directors of AAM) had any discussions with parties interested in investing in AAM?

Resolution 3- Approve Directors Remuneration Report

26. Why did Mr Farrell receive £32,000 in remuneration for the 2017 year? This is more than the Chairman and Mr Farrell only attended 4 out of 5 meetings held.

27. What other Directors expenses were reimbursed (travel, accommodation etc) and how much?

Resolution 4 – Re-elect Ms Fukuda

28. Please outline the actions taken by Ms Fukuda that are in the best interests of all shareholders in relation to:

- i) Providing interest free, unsecured loans to AAM.
- ii) Providing debt funding to AAM.
- iii) Having 3 Directors appointed to AAM that no Director of GRIT had met despite GRIT being the 2nd largest shareholder and 2 GRIT directors being Directors of AAM.
- iv) Failing to disclose the existence of the irrevocable undertaking given by GRIT to AAM at meeting with Mr Yunghanns on 21st June.

29. Why have the shareholders not been give an update given the significant change in the company's financial condition since the signing of the 2017 Financial Statements?

30. Does Ms Fukuda consider that the auditors were negligent in not requiring a qualification to be made in respect of the viability statement? If not, why not?

Resolution 5 – Re-elect Mr Hutchins

31. Why has Mr Hutchins not provided to shareholders the monthly investment commentary referred to in Annual Report?

32. Please explain how Mr Hutchins agreed to 3 Directors being appointed to AAM despite having never met them.

33. Please explain reasons for Mr Hutchins failing to disclose the existence of the irrevocable undertaking given by GRIT to AAM at meeting with Mr Yunghanns on 21st June.

34. Why have the shareholders not been give an update given the significant change in the company's financial condition since the signing of the 2017 Financial Statements?

35. Does Mr Hutchins consider that the auditors were negligent in not requiring a qualification to be made in respect of the viability statement? If not, why not?

Resolution 6 – Re-elect Auditor

36. What concerns, if any, have the auditors raised about the carrying value of the major investments?

General

- Why is the Annual General Meeting being held over 3 weeks after the date required by the Companies Act?
- Should the Company not have informed the shareholders of this delay and the reasons?

GRIT AGM Answers

1, 2, 6, 30 and 35 No. The viability statement was correct when approved by the Board on 27 April 2018.

3, 4 and 5 ii) The Board has agreed with KPMG, the Company's auditors, that KPMG should review the unquoted valuations at the 30 June 2018 half-year as part of the work to be carried out ahead of the year end. This work is expected to begin shortly and will involve a discussion of all relevant matters. These will include the Tygola repayment and the correct way of recording it in the financial statements of GRIT.

5, 15, 17, 18, 19, 20, 28 and 32 Anglo African Minerals ("AAM") is currently engaged in confidential and commercially sensitive discussions concerning the future funding of the company. The Directors do not wish to compromise these by entering into an inappropriate public dialogue. The Directors understand that the shareholder tabling these questions today is the largest shareholder in AAM and that he has requisitioned general meetings of that company,

most recently on 6 July 2018. A further General Meeting of AAM has been requisitioned and detailed questions regarding AAM would be better directed to that company. The Directors note the shareholder has requisitioned a general meeting of GRIT; Notice of that meeting has been posted to shareholders and the meeting will take place on 22 August 2018. Subject to confidentiality, the Directors may be able to address some of the detailed questions raised here at that time.

5 iii) The Board is not currently treating this as an investment as it was not made with a view to profit, and therefore is within the investment policy of GRIT.

7 Detailed management accounting of this kind is not generally made available to shareholders.

8 The Directors do consider this to be a "significant economic change" in the context of the viability statement. Action has been, and is being, taken to manage it.

9 and 31 Monthly fact sheets to shareholders were discontinued in September 2015 at a time when operational review of the Company's future made them difficult to write transparently. They were not reintroduced as the Company's portfolio became increasingly concentrated. They should not have been referred to in the present tense in the Financial Statements and this will be corrected in future.

10 and 11 The Company is currently engaged in an operational review. The outcome of this will involve, *inter alia*, an assessment of developments at AAM, and no options have been ruled out.

12 As directors of AAM, Mr Farrell and Mr Hutchins were aware that default interest was being charged on the Tygola loans as at 27 April, but also that Mr Dewing, a director of AAM, was negotiating with Tygola the extension of those loans. This was not discussed with the auditors. Formal default was called on 30 May.

14 At least quarterly and as necessary during the intervening periods.

13, 16 and 25 Anglo African Minerals – the company controls a world class tier one bauxite asset and a recently signed Memorandum of Understanding with the government of Guinea is a milestone in helping to unlock the potential of this asset.

Kalia Ltd – the company has first mover advantage in potentially the best virgin exploration ground in the world, in the vicinity of the old Bougainville Copper Panguna mine, which prior to its closing in 1989 was recognised as one of the richest copper/gold mines in the world.

Siberian Goldfields - while currently unfunded, the company still owns a valuable undeveloped gold resource, that can still be unlocked with the requisite funding, as long as the investor is prepared to accept the Russia risk that comes with the project.

Year end carry value was based on the company's active Term Sheet to raise money at 12p. The carrying value is constantly reviewed and given lack of progress on the capital raising the valuation has been reduced from 12p to 8.75%. Mr Hutchins is in regular contact with Tony Williams. There has been no progress on the re-IPO fund raising and no funds have been committed.

Siberian has been seeking funding for the last 6/7 months. According to the company, no funds have been committed to the fund raising. The negative investment sentiment towards Russia is discouraging potential investment.

21 and 22 Expenses in 2018 are expected to be less than those incurred in 2017. The Company expects to continue to fund any revenue shortfall from the sale of investments.

23 and 24 The £88,000 of legal fees incurred in 2017 was primarily linked to work done in connection with the operational review of the Company. The legal expenses incurred from 1 May 2018 to date are approximately £10,000.

26 and 27 Mr Farrell was awarded a £10,000 additional fee in recognition of time spent and work carried out well beyond that normally expected of a Non-Executive Director. A similar amount

was paid for the same reasons to Anthony St John in respect of the year to 31 December 2016. Travel and accommodation expenses have been paid, in particular to Mr Farrell in connection with his travel from Australia. The total was approximately £13,000 in respect of 2017 and £15,000 in respect of 2018.

28 iv) and 33 Ms Fukuda and Mr Hutchins met with Mr Yunghanns on 22 June 2018, not 21 June 2018. As declared to Mr Yunghann's lawyers, the existence of the irrevocable undertaking given by the Company to AAM was disclosed to Mr Yunghanns at that meeting.

29 and 34 The Company's shareholders have been regularly updated, with the Company announcing its net asset value weekly. The net asset value at 27 April 2018, the date that the 2017 Financial Statements were signed, was 15.5 pence. The Company's net asset value announced on 18 July 2018 was 17.0 pence, representing an increase of 9.7% since 27 April 2018. A portfolio update in respect of developments at Kalia Limited which the Board believed to be significant was announced on 8 May 2018.

36 At the Audit Committee meeting held on 24 April 2018 the valuation of the unquoted investments was a focus of attention. The Directors' valuations were discussed, challenged and approved by KPMG. As noted above, the Board has agreed with KPMG that it should review all the unquoted valuations at the 30 June 2018 half-year as part of the work to be carried out ahead of the year end.

General

Why is the Annual General Meeting being held over 3 weeks after the date required by the Companies Act?

The principal reason for the delay was discussion with the FCA concerning the proposed change in investing policy.

Should the Company not have informed the shareholders of this delay and the reasons?

In retrospect it would have been useful for the Company to inform shareholders as to the delay and the reasons underpinning it. It is glad now to have the opportunity to do so.

However the alternative would have been to call an unnecessary general meeting to amend the Investment Policy and the Board did not think it was appropriate given the cost and time involved.