

## Regulatory Announcement

**Company** [Pangea DiamondFields PLC](#)  
**TIDM** PDF  
**Headline** Notice of AGM  
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8<sup>th</sup> April 2008

### **Pangea DiamondFields plc** **(“PDF” or “the Company”)**

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

Notice is hereby given that the annual general meeting of Pangea Diamondfields Plc will be held at Falcon Cliff, Palace Road, Douglas, Isle of Man on 29 April 2008 at 12.00 noon.

#### **Special Business**

To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

That the articles contained in the document submitted to this meeting and initialled by the chairman be and are approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

A summary of the material changes proposed to be made to the Articles of Association of the Company is attached to this notice marked “Annexure A”.

#### **Ordinary business**

1. To receive and adopt the Reports of the Directors and Auditor and the Consolidated Financials for the year ended 31 December 2007.
2. To elect directors of the Company:

The following directors retire in accordance with the Company’s Articles of Association and being eligible, offer themselves for re-election:

- 2.1 Mr Patrick Randal Cooke; and
- 2.2 Mr Brett Peter Thompson.
3. To re-appoint KPMG as Auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to fix their remuneration.

Further Information:

**Pangea DiamondFields plc**

Rob Still (CEO)

T: +27 11 438 4100

Rehana Mahomed  
(Investor relations)

T: +27 11 4384112

M: +27 82 303 6677

**Ambrian Partners Limited**

Richard Brown

T: +44 (0) 207 7634 4700

**Parkgreen Communications**

Bex Sanders-Hewett

Justine Howarth

T: +44 (0) 20 7851 7480

NOTES

1. A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company. A form of proxy is enclosed with this notice. Instructions for use are shown on the form. A form of proxy must be received by the Company's Registrars, Maitland Services Limited, no later than 12.00 noon on 28 April 2008. Completion and return of a form of proxy does not preclude a member from attending and voting in person.
2. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 12.00pm on 25 April 2008, being not more than two working days before the time fixed for the meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. The Register of Directors' Interests in the share capital and debentures of the Company, together with copies of service agreements under which directors of the Company are employed, are available for inspection at the Company's Registered Office during normal business hours from the date of this notice until the date of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

**ANNEXURE A**

**Pangea Diamondfields Plc**

**Summary of Material Changes to the Articles**

The following material changes are proposed to the Articles of Association of the Company. The changes described in paragraphs 1, 5 and 6 are being made in order to make the Articles of Association comply with the requirements of the Toronto Stock Exchange ("TSX"). The Company is considering a TSX listing and is therefore proposing to make these changes now at the same time as the other changes described in paragraphs 2, 3 and 4, which had been planned in any case. This would avoid the Company having to call another general meeting in the event that the Board does decide to pursue a TSX listing. The proposed changes described in paragraph 2 have some impact in relation to a TSX listing as described therein if such a listing occurs:

1. **Article 4: Unissued Shares**

1.1 Article 4 of the existing Articles deals with unissued shares. Two amendments to this Article are proposed by way of the introduction of two proposed new Articles. Proposed new Article 4.3 provides that where shares are to be issued wholly or partly paid up otherwise in cash, the Board of Directors of the Company is required to satisfy themselves, acting in good faith, that the non-cash consideration represents fair value for the shares being issued in return. This change reflects TSX requirements while at the same time effectively replacing the existing Article 7 which is unworkable in practice and is proposed to be deleted (see paragraph 3 below).

1.2 Proposed new Article 4.4 provides that the Board shall not issue partly paid up and/or assessable shares except where such issuance is generally permitted (or approved in advance) by all stock exchanges on which the Company's shares are listed.

## **2. Article 6: Offers to Shareholders to be on a pre-emptive basis**

2.1 Article 6 contains restrictions on the issue of equity securities (as defined in the Articles) unless the Board has made an offer to each person who holds equity securities of the same class to allot such number of the new equity securities on the same or more favourable terms in such proportion as equals the proportion the existing holding of equity securities of the same class represents of all the issued shares of that class (the "Pre-emption Right").

2.2 Under the existing Article 6.2, the Pre-emption Right does not apply to (i) equity securities wholly or partly paid up otherwise than in cash, (ii) securities allotted under an employee share scheme, (iii) securities allotted pursuant to a placing undertaken at or around the time of first admission of the Company's shares to AIM and (iv) the first allotments of equity securities after the date of adoption of the Articles on 7 July 2006 (other than under (i) to (iii) above) up to US\$50,000 nominal value (the "cumulative headroom amount"). The US\$50,000 cumulative headroom amount was increased to US\$100,000 at last year's AGM, but since then most of the cumulative headroom amount as so increased has been utilised, particularly in the private placement of 16,500,000 Ordinary Shares undertaken in February 2008.

2.3 In order to simplify and update the Articles and allow shareholders to know what amount of nominal equity share capital can be issued on a non-pre-emptive basis going forward the proposed new Article 6.2 (which replaces the old Article 6.2 in its entirety) provides that the Pre-emption Right does not apply to (i) equity securities wholly or partly paid up otherwise than in cash, (ii) securities allotted under an employee share scheme, (iii) the allotment of equity securities pursuant to a placing undertaken at or around the time of first admission of the Company's shares to a non-United Kingdom stock exchange, and (iv) the first allotments of equity securities after the date of adoption of the new Articles at this year's AGM (other than under (i) to (iii) above) up to US\$150,000 nominal value. Shareholders should note that the US\$150,000 figure does not take account of any non-pre-emptive issues made prior to the date of adoption of the new Articles at this year's AGM, in other words the cumulative headroom amount has been both refreshed and increased. The reference in (iii) above would allow a non-pre-emptive issue to take place if the Company decided to list on another stock exchange in addition to AIM. As mentioned above, the Company is considering whether or not to pursue a listing on the TSX and if it does pursue such listing the new Article 6.2 would permit a non-pre-emptive issue in connection with that listing.

## **3. Article 7: Non-cash consideration to be valued before allotment**

3.1 Article 7 of the existing Articles contains detailed provisions in relation to an allotment of shares for a non-cash consideration in terms of which the consideration for the allotment was required to be independently valued by an auditor of the Company, prior to the allotment being made. These provisions broadly replicate the provisions of section 103 and 108 of the UK Companies Act 1985, which did not apply to Isle of Man Companies. Sections 103 and 108 have been replaced by equivalent provisions in the UK Companies Act 2006, which also do not apply to the Isle of Man companies.

3.2 The provisions of the existing Article 7 are extremely difficult to operate in practice for a mining exploration company and put the Company at a commercial disadvantage in bidding for assets. They are not required by Isle of Man law or by the AIM Rules. The Board has been advised that certain other Isle of Man incorporated mining companies listed on AIM (for example Nikanor plc) do not have equivalent provisions in their articles. For this reason under the proposed new Articles, the existing Article 7 has been deleted in its entirety.

#### **4. Article 45: Disclosure of relevant notifiable interest and suspension of rights where non-disclosure of interests in shares**

Under Article 46, each member is required to notify the Company of any “relevant notifiable interest” which it has in shares (and of any “relevant notifiable interest” which any other party has in shares registered in the name of that member and of which that member is aware) and of any “relevant changes” to those interests, in each case in accordance with the provisions of sections 198 to 202 of the United Kingdom Companies Act 1985. Article 46 was incorporated in order to enable the Company to comply with its obligation to provide the required notifications in respect of significant shareholdings pursuant to Rule 17 of the AIM Rules. Sections 198 to 202 of the United Kingdom Companies Act 1985 were repealed by the United Kingdom Companies Act 2006 and in part replaced by other statutory provisions. In order to avoid making unnecessary changes and as the Company is still required to comply with its obligations in terms of the AIM Rules, it makes sense to retain Article 46 in broadly its existing form despite the fact that the relevant sections of the 1985 Companies Act have been repealed. For this reason, the proposed new Articles include a change to Article 46.1 to include the wording “as if those sections of the United Kingdom Companies Act 1985 were still in force”.

#### **5. ARTICLE 53: QUORUM AT GENERAL MEETINGS**

Under the existing Article 53, the quorum for general meetings is currently 3 members, and at any adjourned general meeting at which a quorum is not present within 15 minutes from the time appointed the quorum is 2 members. The new Article 53 imposes an additional requirement that the 3 (or 2) members shall hold or represent in aggregate at least 25% of the voting rights of all members entitled to attend and vote at that meeting.

#### **6. ARTICLE 123: CAPITALISATION OF RESERVES AND EMPLOYEES’ SHARE SCHEMES. RE-PRICING OF SHARE OPTIONS**

Article 123 of the existing Articles deals with capitalisation of reserves and employees’ share schemes. One amendment to this Article is proposed which is the introduction of proposed new Article 123.6 which provides that where share options have been granted to subscribe for shares, the option price applicable to such options shall not be adjusted downwards except in the event of any alteration of the ordinary share capital of the Company by way of capitalisation or rights issue, or sub-division, consolidation or reduction or any other variation in the share capital of the Company, or with the prior consent of an ordinary resolution of the shareholders of the Company. The circumstances in terms of which an adjustment can be made to the exercise price of an option have been taken from Rule 14.1 of the Rules of the Company’s Employee Share Option Plan (“ESOP”). This new Article 123.6 would comply with TSX requirements, though in substance it does not change anything as the Company would not have re-priced existing options downwards except as specifically permitted by the Rules of the ESOP in any case except with shareholder consent.

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