

# **BWA Group PLC**

## **Proposed £4.66m Acquisition of Kings of the North Corp**

5 September 2019

**BWA GROUP PLC**  
("BWA" or the "Company")

### **Proposed £4.66 million Acquisition of Kings of the North Corp.**

Further to the Company's announcements of 30 May 2019 and 6 August 2019, BWA is pleased to announce that the Company is today posting a circular to shareholders in the Company (the "Circular") convening a General Meeting of the Company for 11.00 a.m. on 30 September 2019 at which resolutions will be proposed to, amongst other things, approve the acquisition by the Company of Kings of the North Corp., which owns five groups of mineral exploration licences, principally in respect of gold, in Canada.

An extract from the Circular is set out below. A copy of the full text of the Circular will be available at [www.bwagroupplc.com](http://www.bwagroupplc.com).

The Directors of BWA are responsible for the contents of this announcement.

For further information please contact:

#### **BWA Group Plc**

Richard Battersby (Non-Executive Chairman)

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#### **Peterhouse Capital Limited**

Mark Anwyl

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"Dear Shareholder

### **1. Introduction**

The Directors of BWA have for a number of years been seeking a suitable acquisition or major investment for the Company with a view to achieving an enhancement of Shareholder value. They believe that the transaction described in this Circular is capable of meeting that objective.

On 29 May 2019, BWA announced that it had entered into an agreement with Canadian Securities Exchange listed St-Georges Eco-Mining Corp (SX) for the acquisition of KOTN (the Acquisition). KOTN owns five groups of mineral exploration licences, principally in respect of gold, further information on which is set out in paragraph 3 below. The consideration for the Acquisition is C\$7.5 million (£4.66 million). KOTN will have cash balances of C\$300,000 at Completion. In light of the Acquisition's size in relation to the Company, the Acquisition is conditional, amongst other things, on approval by Shareholders at the General Meeting, which is being convened for 30 September 2019.

The purpose of this Circular is to outline the background to, and reasons for, the Acquisition and explain why the Board consider the Acquisition to be in the best interests of the Company and its

Shareholders as a whole, and why the Directors recommend that you vote in favour of all the Resolutions, as they intend to do themselves in respect of the Ordinary Shares beneficially held by them.

## 2. Background to and Reasons for the Acquisition

Since the formation of the Company, the Directors have sought a suitable investment or investments which will be value enhancing for Shareholders and, over the years, have made a number of small investments, including in a potential mining opportunity in Cameroon, via the Company's subsidiary BWA Resources (Cameroon) Ltd (BWA Cameroon).

The Directors believe that the KOTN licences represent the material investment that they have been looking for and that the Acquisition meets the objectives of the Company's investment strategy, being a sizeable investment in the minerals sector, to build upon the existing investment in BWA Cameroon, which they believe also has the prospect of enhancing Shareholder value.

The Directors have determined that it would be appropriate for an independent valuation report to be prepared based on available data in order for them to have the necessary comfort for the consideration to be paid for KOTN. The Valuation Report is summarised in section 3 below, which includes references to "NI 43-101" reports, the purpose of which is to provide a summary of material scientific and technical information concerning mineral exploration, development, and production activities on a mineral property.

## 3. Description of the KOTN mineral licences being acquired

BWA commissioned an independent report by SRK Exploration Services Limited ('SRK') to prepare a technical valuation of the five mineral licence groups owned by KOTN. Formed in 2003, SRK is part of the international group holding company SRK Consulting (Global) Limited, which began in 1975 and includes over 1,400 professional personnel in 45 offices in 20 countries on 6 continents providing expertise in a wide range of exploration, mining and engineering disciplines. SRK specialises in exploration for all metal and industrial mineral commodities, elevating projects from the earliest stage of exploration through to resource drilling.

A summary of the five mineral Licences groups is set out in Table 1 below: -

Table 1 Kings of the North Concessions and Exploration Stage

Name	Province	Commodity	Existing NI43-101 Report
Hemlo North Limb	Ontario	Gold	Yes (dated 7 Dec. 2016)
Isoukoustouc	Quebec	Nickel-Copper-Cobalt	Yes (dated 10 Dec. 2009)
Villebon	Quebec	Gold -Nickel-Copper-PGE	Yes (dated 10 Dec. 2009)
Nova Gold	Quebec	Gold	No
Winterhouse (Maison D'hiver)	Quebec	Gold	No

SRK have valued each project separately using a combination of the market, cost and geoscience appraisal methodologies. From the valuation estimates using each approach, SRK has developed a final preferred valuation along with what SRK consider to be appropriate ranges for each project (see Table 2), as is defined within the VALMIN code (VALMIN Committee of the Australasian Institute of Mining and Metallurgy, 2015).

Table 2 SRK Preferred Valuation for the Kings of the North Projects

<b>Preferred Value Range (CAN\$M)</b>	<b>Hemlo North</b>	<b>Isoukustouc</b>	<b>Villebon</b>	<b>Nova Gold</b>	<b>Winterhouse</b>	<b>Kings of the North Portfolio</b>
Max	2.1	2.4	3.0	0.7	0.29	8.5
<b>SRK Preferred</b>	<b>1.5</b>	<b>2.2</b>	<b>2.7</b>	<b>0.5</b>	<b>0.26</b>	<b>7.2</b>
Min	1.2	2.1	2.5	0.4	0.25	6.4

*Notes: All values are in Canadian Dollars. A degree of rounding has been conducted throughout the valuation process. SRK consider any differences this may cause to the final valuation figures to be negligible.*

From this Table 2, it can be seen that the SRK's Preferred Valuation for the five licence area groups is \$7.2M Canadian. In determining the SRK Preferred Valuation have considered a number of different exploration valuation approaches, the derived values by valuation technique are summarised in Table 3.

Table 3 Comparison of Exploration Valuation Methodology Ranges

<b>SRK Valuation(CAN\$M)</b>	<b>Hemlo North</b>	<b>Isoukustouc</b>	<b>Villebon</b>	<b>Nova Gold</b>	<b>Winterhouse</b>	<b>Kings of the North Portfolio</b>
PEM Valuation	\$1.2	\$1.7	\$3.5	\$0.5	\$0.05	\$7.0
Min Valuation	\$1.7	\$2.9	\$2.3	\$0.4	\$0.3	\$7.6
NPV Max Valuation	\$26	\$38	\$53	\$16	\$5	\$138
Technical Valuation	\$1.5	\$2.4	\$3.0	\$0.5	\$0.3	\$7.7

*Notes: All values are in Canadian Dollars. A degree of rounding has been conducted throughout the valuation process. SRK consider any differences this may cause to the final valuation figures to be negligible.*

Whilst the SRK preferred valuation at \$7.2M Canadian, is calculated with reference to the three lowest valuation criteria above, the valuation based on the 'NPV Maximum Valuation' totals to \$138M Canadian, providing, the Directors believe, considerable potential upside movement in valuation.

Below is a summary of the five licence area groups. References to 'Prospectively' are summarised in the Table below.

#### **Hemlo North Licence Group, Ontario - Prospectivity Strong**

Hemlo North property is located in the Superior Province, Wawa Sub-Province. The property straddles the northernmost extent of the Heron Bay-Hernia greenstone belt which also contains the gold-producing mines of Hemlo, Ontario (Fladgate Exploration Consulting Corp., Dec. 2016). The North Property is located 45 kilometres northeast of the town of Marathon, Ontario and 17 kilometres northeast of the Williams Mine operated by Barrick Gold Corporation. Barrick's Hemlo gold mine has produced more than 21M oz's of gold and has been operating continuously for more than 30 years (<https://www.barrick.com/operations/hemlo/default.aspx>).

#### **Isoukustouc Licence Group - Prospectivity Good**

The Isoukustouc project is located within the Grenville Geological Province, in the North Shore region of north eastern Quebec. The project area is prospective for nickel-copper-cobalt and PGE mineralisation with three historical prospects located within the claim boundaries. The project area has been subject to aerial geophysics and drilling in 2011/2012.

#### **Villebon Project, Quebec - Prospectivity Good**

The Villebon project is located near the south-eastern margin of the Abitibi Greenstone Belt, in the Val d'Or region of Quebec. The project area is prospective for greenstone hosted gold, base metal, nickel and PGE mineralisation, with the historically drilled Cere-Villebon Cu/Ni occurrence located within the claim boundaries. Gold exploration in 1940 led the Geological Survey of Canada to map Villebon Township, produce an aeromagnetic map (1952), followed by further mapping and collection of stream sediments (1971). In the mid-1960s, copper-nickel mineralisation was discovered in this sector.

The project area was subject to drilling in 2010/2011.

### **Nova Gold Project, Quebec - Prospectivity Good**

The Nova Gold project is located in the Superior Province, Ashunani Sub-Province in eastern Quebec. This sub-province is under explored but the area is host to a number of gold occurrences, discovered in 1986, and active gold exploration both within Quebec and neighbouring Labrador.

The project area is split into four blocks of claims. The eastern most two contiguous blocks of claims are prospective for banded iron formation ("BIF") related gold mineralisation in metamorphosed sedimentary units located at the border of Labrador Trough, a younger tectonic belt. Goldcorp's Elenore mine is reported to be in a similar metamorphic sedimentary/ mobile belt geological setting (St-George Eco Mining Corp, 2018). To the west there are two elongate blocks of claims to the west surrounding ground with three gold occurrences, one of these claims coincides with the single Baleine Rouge Pb-Zn showing.

### **Winterhouse (Maison D'Hiver), Quebec - Prospectivity Good**

Winterhouse property is located in the Superior Province, Opinaca Sub-Province which also hosts Goldcorp's underground Eleonore Gold Mine (3.8Moz Au Proven & Probable Reserves, 2018 <https://www.goldcorp.com/portfolio/operations/eleonore/default.aspx>). This is in the Fermont area of North Eastern Quebec.

The project area is prospective for Archean greenstone hosted gold and base metals with a number of high grade occurrences and high grade historical drill intersections (at Courcy -2) located approximately 5 km to the west of the property (on Stelmine Inc held ground). The Winterhouse Project is summarised in a presentation prepared by independent geological consultant J.P. Barrette (Barrette, 2018).

### **Summary**

The Directors consider, that in the light of the SRK report and technical valuation, the acquisition of these five mining licence areas in Canada represent a fair value at the SRK preferred valuation of \$7.2M Canadian. Further, the SRK report shows that the credit amount available in the Exploration Reserve (being the amount already spent on exploration in the licence areas) exceeds, in total, the amount required to be spent for the next licence renewals, by \$950,273 Canadian. The Directors also believe there is considerable upside potential based on the maximum NPV SRK valuation of \$138M Canadian.

Table Summary of Kings of the North Projects

	<b>Hemlo North</b>	<b>Isoukoustouc</b>	<b>Villebon</b>	<b>Nova Gold</b>	<b>Winterhouse</b>	<b>KOTN</b>
Exploration Stage	Early	Early	Target Definition	Early	Early	
Prospectivity	Strong, on the	Good	Good	Good	Good	

	northernmost extent of the Heron Bay?Hemlo greenstone belt.				
Identified Prospects	Yes	Yes	Yes	Yes	Yes
Geophysics	Airborne VTEM Survey	Yes	Yes	Yes	Yes
Drilling	Historic Scout Drilling	Limited	Limited	No	No
Historic Mineral Resource or Mineral Reserve Estimates	No	No	Yes, Non-Compliant	No	No
Historic of Current Production	No	No	No	No	No
Primary Exploration Model	Hemlo-Type Gold Deposits	Intrusive related Ni-Cu-Co mineralisation	Intrusive magmatic related Ni-Cu-Co mineralisation	BIF / Metamorphic Gold	BIF associated metamorphic gold
Type of mineral occurrence in vicinity	VMS, BIF, Qtz Gold quartz vein hosted, mafic intrusives Cu-Ni, Ag & minor PGM.			a	Neighbouring drilled intersections
Adjacent Properties	Yes	Yes	Yes	Yes	Yes
Range of sample grades on property	Historic intersections: 2.5 m @ 8.2 g/t Au, 3.10m @ 3.9 g/t Au. Recent samples mostly low grade.	B-40: 3.84% Ni, 17% Cu and 0.2% Co. Mathilda: 0.35% Cu, 0.34% Ni & 0.1% Co, Manic-3 (Lac Louis): up to 0.84% Ni, 2% Cu, 0.11% Co	Non-compliant resource: 421,840 t @ 0.52% Cu, 0.72 % Ni & 1.08 g/t combined Pt-Pd (1987)	Channel: 5.81g/t Au over 3m, 4.42g/t Au over 0.35m, 4.83g/t Au over 0.9m. Grab: 28.66g/t Au, 40g/t Au, 16.37g/t Au, 6.9g/t Au, 2.29g/t Au, 3.05g/t Au	Au grab samples: 0.45g/t, 0.34g/t, 0.2g/t 0.5g/t 1.7g/t, 0.83g/t, 1.03g/t, 0.12g/t
Number of Claims*	420	30	32	99	63

Earliest & Latest Claim Expiry Date	05/05/2019	16/01/2021	05/10/2019	01/01/2020	24/01/2019	
Earliest & Latest Claim Expiry Date	04/04/2020	25/05/2021	16/02/2022	23/09/2020	26/10/2019	
Area under Claim (Ha)	7,342	1,663	1,393	4,865	3,290	
Required Work Spend for Next Renewal	\$ 133,400	\$ 56,100	\$ 71,600	\$ 13,365	\$ 8,505	
Available Exploration Reserve	\$ 148,031	\$ 622,922	\$ 493,931	\$ -	\$ -	
Renewal Fees		\$ 1,958	\$ 2,024	\$ 13,365	\$ 14,345	
<i>Net Credit</i>	<i>\$14,631</i>	<i>\$564,865</i>	<i>\$420,307</i>	<i>-\$26,730</i>	<i>-\$22,850</i>	<i>\$950,223</i>
GESTIM Accepted Incurred Expenditure	-	\$ 1,100,000	\$ 685,551	\$ -	\$ -	
Anticipated Future Spend (SRK ES) \$M	\$ 2.00	\$ 1.00	\$ 1.20	\$ 0.60	\$ 0.30	\$5.10
Impairment Valuation \$			1.00			
Royalty	?	3% NSR on property. 1.5% can be bought back for \$3M	?	?	?	
GESTIM First Nation Restriction Note		Affected by: Nittassin de Betsiamites agreement			Affected by : ÉPOG agreement	
Transaction Committed Spend	\$2M for 50%, \$4M for 75%					
Buy Back Option	Yes 25% for \$1M + 3x Exploration Spend					

The information set out above in this section 3 has been extracted without material adjustment from the Valuation Report. The Valuation Report is available for inspection on BWA's website at [www.bwagroupplc.com](http://www.bwagroupplc.com). SRK have given and have not withdrawn their written consent to the inclusion in this Circular of the information extracted from the Valuation Report and to the references thereto and to their name in the form and context in which they appear.

#### 4. Consideration for the Acquisition

The contract for the Acquisition (the SPA) sets out the terms of the Acquisition, subject to Canadian law. Under the terms of the SPA, BWA will acquire the entire issued share capital in KOTN (a corporation existing under the laws of Quebec and having an address at 230 Notre-Dame Street West, Montreal, Quebec H2Y 1T3) from SX and various other shareholders (the Vendors) for a consideration of C\$7.5 million (£4.66 million). The consideration will be satisfied by the issue to the Vendors of Convertible Loan Notes to a value of C\$7.5 million (£4.66 million). KOTN will have cash balances of C\$300,000 (£186,000 at Completion).

The principal terms of the Convertible Loan Notes are as follows:

- a. convertible into Ordinary Shares up until the third anniversary of Completion, at a price equal to the 5 days Volume Weighted Average Price per Ordinary Share prior to the date of conversion and subject to a minimum conversion price of £0.005 per Ordinary Share;
- b. following the third anniversary of Completion, any outstanding Convertible Loan Notes will be rolled over for a subsequent 12 months on the same terms;
- c. Convertible Loan Notes which have not been converted by the expiry of the further 12 month period shall automatically convert to a new class of share in the Company, being Deferred Non-Voting Shares, convertible on the same terms as the Loan Note Instrument, save they carry no right to capital on winding up;
- d. the Convertible Loan Notes provide that, at all times no person shall be able to exercise their right to convert any Convertible Loan Notes or Deferred Non-Voting Shares if to do so would cause that person (or any person acting in concert with that person, as defined in the Takeover Code) to exceed a 29% interest in the voting rights of BWA; and
- e. the Convertible Loan Notes are interest free.

The £100,000 of Convertible Loan Notes to be issued pursuant to the Subscription will have the same rights as the Convertible Loan Notes to be issued as consideration for the Acquisition.

Shareholders' approval is required to authorise the creation of a new class of Deferred Non-Voting Share which will be issued in accordance with the Loan Note Instrument in the event that any Convertible Loan Notes are not converted during the available conversion timeframe as set out above. The Deferred Non-Voting Shares shall be issued in accordance with the terms of the Loan Note Instrument, save that on any return of assets on liquidation, the Deferred Non-Voting Shares shall not confer on the holders thereof any entitlement to receive out of the assets of the Company available for distribution amongst the members (subject to the rights of any new class of shares with preferred rights) the amounts paid up or credited as paid up on the Deferred Non-Voting Shares held by them respectively after (but only after) payment shall have been made to the holders of the Ordinary Shares of the amounts paid up or credited as paid up on such shares and the sum of £10,000,000 in respect of each Ordinary Share held by them respectively. The holders of the Deferred Non-Voting Shares shall have no further right to participate in the assets of the Company.

## **5. Future Strategy**

The Directors intend that work will be undertaken on all the KOTN mineral licence groups over the next 12 to 18 months, in line with the licence agreements and with a view to obtaining up to date NI 43-101 reports and also a resource on one or two of the targeted sites. The anticipated work programs on Hemlo North, Villebon and Isoukustouc are set out in the full Valuation Report, which is available as set out above. Of the other two sites, the work programme for Maison D'Hiver (Winterhouse) which is noted in the Valuation Report is covered in a presentation prepared by independent geological consultant J.P. Barrette (Barrette, 2018-Valuation Report refers) and that for Nova Gold is in the process of being finalised.

The Directors expect that the funding of the exploration work in Canada will largely be achieved by KOTN raising tax-efficient investment in Canada, thus reducing the requirement for working capital for

BWA. In addition, SX has agreed to remain responsible for the payment of the minimum licence fees for retention of the legal licences to the various mining claims. BWA is also issuing £100,000 of Convertible Loan Notes for cash, to provide the Company with additional working capital.

The Company's existing subsidiary, BWA Cameroon, has for some time, been actively seeking licences for the development of rutile sands projects in Cameroon. The gaining of such licences is proving very time consuming, but the process is now at a stage where no further money needs to be spent before the licences are granted. Recently, BWA Cameroon received Cameroon government approval as a bona fide 'tenderer', with one other company, for the material rutile sands exploration licences in Cameroon. The Directors are hopeful of a successful outcome and believe that if a licence is granted to BWA Cameroon, the resources could be substantial.

The Company's other major investment, Prepaid Global Services Limited (formerly known as Prego), is at a crossroads where it may be able, finally, to attract sufficient additional finance to meet its development objectives. In view of the direction the Company is now taking and its focus on natural resources, this investment must be considered as being actively for realisation.

## **6. Working Capital**

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the proceeds of the Subscription, the working capital available to the Company on Completion will be sufficient for the present requirements of the Company, that is, for the period of twelve months following Completion.

## **7. Directors**

On completion of the Acquisition, Vilhjalmur Thor Vilhjalmsson will be appointed as an executive Director and Chief Executive Officer of BWA. This will be in addition to Vilhjalmur Thor Vilhjalmsson's proposed position as director of KOTN for day-to-day management and to facilitate its own fund raising in Canada. In addition, JV Capital Limited, of which Vilhjalmur Thor Vilhjalmsson is a 50% shareholder and managing director, is subscribing for £50,000 of Convertible Loan Notes in the Subscription. Mr Vilhjalmsson is Chief Executive Officer of SX.

Save as set out below, there is no further information regarding Vilhjalmur Thor Vilhjalmsson that is required to be disclosed pursuant to Appendix 1, Table A, paragraph 5.1.2 of the NEX Exchange Growth Market – Rules for Issuers.

### Vilhjalmur Thor Vilhjalmsson

Current Directorships	1.	North Atlantic Mining Associates Ltd
	2.	JV Capital Ltd
	3.	Melville Bay Ltd
	4.	Iceland Resources ehf
	5.	JV Capital ehf
	6.	Eldgjá ehf
	7.	African Minerals Ventures Ltd
	8.	St Georges eco mining Ltd
	9.	JV Verktakar ehf
	10.	Moberg Capital Ltd
	11.	Borealis Commodities Exchange ehf
Historic Directorships	1.	North Atlantic Mining Associates ehf
	2.	Birta Ltd
	3.	NAMA Resources plc
	4.	NAMA Coal Ltd



5. NAMA East Asia Ltd

6. NAMA Gold Ltd

North Atlantic Mining Associates ehf went into administration in Iceland on 13 February 2014 and was liquidated on 8 December 2015 with a deficit of less than £500,000.

## 8. Corporate Governance

In accordance with NEX revised governance requirements the Company has formed an Audit committee, of which Alex Borrelli is Chairman, and a Remuneration committee, of which James Butterfield is Chairman. The Board is scheduled to meet formally at least quarterly, or as required. The committees meet when appropriate.

## 9. Issue of Shares to Directors

On the flotation of the Company in March 2010, the Directors agreed that they would not be paid any remuneration until the Company had concluded a significant transaction but that, on completion of such transaction they would each be entitled to receive shares in settlement of remuneration at the rate of £10,000 per annum each. Additionally, the Directors have not drawn any expenses and have provided money to the Company on loan accounts. The 2010 agreements state as follows:

### 4 Fees

4.1 *The following definitions shall apply to clause 4.2:*

(a) *Current Price means:*

4.1.1 *if new money is being raised at the time of the Company's investment into another business, the issue price of such shares; or*

4.1.2 *if no new money is being raised at the time of the Company's investment into another business, the average mid-market closing price of an ordinary share in the capital of the Company over the 10 Dealing Days after the completion of the Company's investment;*

(b) *Dealing Days means a day on which trading occurs on PLUS or any other market on which the shares of the Company are traded at the relevant time.*

4.2 *You shall be entitled to a fee of £10,000 per annum (Fee). The Fee shall accrue each year but shall not be payable until the Company makes an investment in the securities of another business (whether publicly traded or not) at which point the Fee shall be payable in ordinary shares in the capital of the Company. The number of ordinary shares you are entitled to receive shall be calculated by reference to the Current Price.*

The Acquisition meets the terms of the Directors' agreements and so, in order to settle total outstanding remuneration of £298,193 due to the Directors and to repay the Director loans totalling £62,261.19, the Company is proposing to issue a total of 72,090,838 Ordinary Shares at £0.005 per share. Of these Ordinary Shares, 59,638,600 Ordinary Shares are proposed to be issued in satisfying the Directors' outstanding remuneration and 12,452,238 Ordinary Shares in respect of Directors' loans. Shareholder approval is required to authorise the allotment of Ordinary Shares for this purpose.

In issuing 72,090,838 Ordinary Shares pursuant to Resolution 4, the Company is capitalizing the sum of £360,454.19. The following table sets out the Ordinary Shares to be issued to each Director:

<b>Director Remuneration</b>	<b>Director Loan</b>	<b>Total issue</b>	<b>Total shareholding post-issue</b>	<b>% of enlarged issued share capital</b>
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<b>Richard Battersby</b>	Cash : £100,833	Cash : £30,957.80	Cash : £131,790.80	43,118,982	22.39%
	Ordinary Shares : 20,166,600	Ordinary Shares : 6,191,560	Ordinary Shares : 26,358,160		
<b>Alex Borrelli</b>	Cash : £98,611	Cash : £15,507.24	Cash : £114,118.24	25,202,618	13.08%
	Ordinary Shares : 19,722,200	Ordinary Shares : 3,101,448	Ordinary Shares : 22,823,648		
<b>James Butterfield</b>	Cash : £98,749	Cash : £15,796.15	Cash : £114,545.15	42,575,301	22.10%
	Ordinary Shares : 19,749,800	Ordinary Shares : 3,159,230	Ordinary Shares : 22,909,030		
<b>Total</b>	Cash : £298,193	Cash : £62,261.19	Cash : £360,454.19	110,896,901	57.05%
	Ordinary Shares : 59,638,600	Ordinary Shares : 12,452,238	Ordinary Shares : 72,090,838		

## 10. General Meeting

A notice convening the General Meeting, which is to be held at 11 a.m. at BDB Pitmans LLP, 50 Broadway, London, SW1H 0BL on 30 September 2019, is set out at the end of this Circular. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1, which is an ordinary resolution, to authorise the Directors to complete the Acquisition;
- Resolution 2, which is a special resolution, to amend the articles of association, as set out in the Notice of the General Meeting, such that the Company's articles of association includes rights for the Deferred Non-Voting Shares as referred to in the Loan Note Instrument;
- Resolution 3, which is an ordinary resolution, to authorise the Directors to allot relevant securities, namely the Convertible Loan Notes, which contain a right to be converted from debt to equity in the form of Ordinary Shares and Deferred Non-Voting Shares, up to an aggregate nominal amount of £10,000,000, being equal to Convertible Loan Notes (i.e. the number of Convertible Loan Notes to be issued); and

· Resolution 4, which is an ordinary resolution, to authorise the Directors to allot Ordinary Shares to the Directors, in respect of their outstanding director remuneration and to satisfy the director loans, in the amount of 72,090,838 Ordinary Shares at £0.005.

## 11. Actions to be taken

*In respect of the General Meeting*

Please check that you have received the following with this Circular a Form of Proxy for use in respect of the General Meeting.

**Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, at the Company's registered office, by no later than 11 a.m. on 26 September 2019 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).**

**If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this Circular). Proxies submitted via CREST must be received by the Company's agent (CREST ID 7RA36) by no later than 11 a.m. on 26 September 2019 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).**

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

## 12. Recommendation

**Shareholders should be aware that if any of the Resolutions are not passed, the Acquisition will not proceed.**

**The Directors believe that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolutions.**

**The Directors have irrevocably undertaken to vote in favour of the Resolutions in respect of, in aggregate, 38,806,063 Ordinary Shares, representing approximately 32.2 per cent of the Ordinary Shares in issue at the date of this Circular.**

Yours sincerely

*Chairman*

## DEFINITIONS

The following definitions apply throughout this document (including the Notice of General Meeting) and the Form of Proxy unless the context requires otherwise:

**“Acquisition”** the Company's proposed acquisition of the entire issued share capital of KOTN

<b>"Board" or "Directors"</b>	the directors of the Company whose names are set out on page 4 of this Circular
<b>"Business Day"</b>	any day on which banks are usually open in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
<b>"certificated" or "in certificated form"</b>	a share or other security not held in uncertificated form (that is, not in CREST)
<b>"Circular"</b>	this document including the Notice of General Meeting
<b>"Company" or "BWA"</b>	BWA Group PLC, a company incorporated in England and Wales with registered number <b>00255647</b>
<b>"Completion"</b>	completion of the Acquisition
<b>"Convertible Loan Notes"</b>	the unsecured convertible loan notes to be issued in accordance with the Loan Note Instrument agreed as part of the Acquisition
<b>"CREST"</b>	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
<b>"Deferred Non-Voting Share"</b>	means a deferred non-voting share in the capital of BWA on the same terms as the Loan Note Instrument save that it shall have no right to capital on winding-up, to be issued in accordance with the Loan Note Instrument in the event that such Convertible Loan Notes are not converted
<b>"Existing Ordinary Shares"</b>	the issued share capital of the Company as at the date of this Circular, being 120,531,833 Ordinary Shares
<b>"Financial Conduct Authority" or "FCA"</b>	the Financial Conduct Authority (and its predecessor, the Financial Services Authority) in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>"Form of Proxy"</b>	the enclosed form of proxy for use by Shareholders in connection with the General Meeting
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended)
<b>"General Meeting"</b>	the general meeting of the Company to be held at 11 a.m. on 30 September 2019 (or any reconvened meeting following any adjournment of the general meeting) at BDB Pitmans LLP, 50 Broadway, London, SW1H 0BL, notice of which is set out at the end of this document
<b>"Group"</b>	the Company and its subsidiaries from time to time
<b>"KOTN"</b>	Kings of the North Corp. (incorporated in Quebec) 230 Notre Dame Street West, Montreal, Quebec, H2Y 1T3
<b>"Loan Note Instrument"</b>	the draft convertible loan note instrument prepared prior to exchange of contracts on 29 May 2019 relating to the Acquisition

<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“NEX Exchange”</b>	NEX Exchange Limited, a Recognised Investment Exchange under section 290 of FSMA
<b>“NEX Exchange Growth Market” or “NEX”</b>	the primary market segment operated by NEX Exchange for dealings in unlisted securities
<b>“NEX Exchange Rules”</b>	the NEX Exchange Growth Market – Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the NEX Exchange Growth Market
<b>“Notice” or “Notice of General Meeting”</b>	the notice of the General Meeting set out at the end of this document
<b>“Ordinary Shares”</b>	ordinary shares in the capital of the Company.
<b>“Proposals”</b>	the Resolutions set out in the Notice of General Meeting
<b>“Proposed Director”</b>	Vilhjalmur Thor Vilhjalmsson
<b>“Recognised Investment Exchange”</b>	has the meaning given in the NEX Exchange Rules
<b>"Registrar"</b>	Share Registrars Limited, registrars to the Company
<b>"Resolutions"</b>	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
<b>"Shareholders"</b>	holders of Ordinary Shares
<b>“SPA” or “Share Purchase Agreement”</b>	the share purchase agreement relating to the purchase of KOTN dated 29 May 2019 between BWA, SX and various minority shareholders of SX
<b>“Subscription”</b>	the proposed subscription of £100,000 nominal of Convertible Loan Notes
<b>“SX”</b>	means St-Georges Eco-Mining Corp. a corporation existing under the laws of Canada and having an address at 230 Notre-Dame Street West, Montreal, Quebec, H2Y 1T3
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>"uncertificated" or "in uncertificated form"</b>	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"United States" or "US"</b>	the United States of America
<b>“Valuation Report”</b>	the valuation report of the assets to be acquired pursuant to the Acquisition prepared by SRK Exploration Services Limited dated 29 March 2019
<b>“Volume Weighted Average Price”</b>	the volume weighted average price of the Ordinary Shares, calculated by dividing the total value by the total volume of Ordinary Shares traded for the relevant period, if no trade has occurred on certain day it is assumed to be 1 share traded at the last traded price

**"£", "pence", "penny",  
"pounds sterling", or  
sterling"**

UK pounds sterling, the lawful currency of the United Kingdom

**"C\$"**

Canadian dollars, the lawful currency of Canada"

**Market Abuse Regulation (MAR) Disclosure**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.