

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before taking any action. The whole of the text of this document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed "Risk Factors" in Part I of this document.

This document is an admission document in relation to the Alternative Investment Market of the London Stock Exchange plc ("AIM"). A copy of this document (which comprises a prospectus which has been drawn up in accordance with the requirements of the Public Offers of Securities Regulations 1995 (as amended) ("POS Regulations")) has been delivered to the Registrar of Companies in England and Wales in accordance with Regulation 4(2) of the POS Regulations.

The Directors of Toledo Copper Corporation PLC, whose names appear on page 4, accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the whole of the ordinary share capital of Toledo Copper Corporation PLC both issued and to be issued to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of these securities to the Official List. The London Stock Exchange plc has not examined or approved the contents of this document. The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been or are intended to be made.

It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM on 8 April 2004.

TOLEDO COPPER CORPORATION PLC

(Incorporated in England and Wales with Registered Number 5055833)

Placing of 166,666,667 new Ordinary Shares at 1.5p per share Admission to trading on AIM

Nominated Adviser
Nabarro Wells & Co. Limited

Nominated Broker
Keith, Bayley, Rogers & Co. Limited

Authorised		Share capital immediately following Admission		Issued and fully paid	
Amount	Number			Amount	Number
£2,000,000	2,000,000,000	Ordinary Shares of £0.001 each		£453,667	453,666,667

The Placing Shares will on Admission rank in full for all dividends or other distributions declared, made or paid on the ordinary share capital of the Company after the date of this document and will rank *pari passu* in all respects with all the Ordinary Shares which will be in issue on completion of the Placing.

Nabarro Wells & Co. Limited and Keith, Bayley, Rogers & Co. Limited, which are each authorised and regulated by the Financial Services Authority, are acting as Nominated Adviser and Broker (respectively) for the Company in relation to the Admission and Placing, and will not be responsible to any other person for providing the protections afforded to customers of each of them or for providing advice in relation to the Placing or Admission or the contents of this document or any matter referred to herein. Neither Nabarro Wells & Co. Limited nor Keith, Bayley, Rogers & Co. Limited has authorised the contents of any part of this document for the purposes of Regulation 13(1)(g) of the POS Regulations.

This document does not constitute an offer to sell or the solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan. The Ordinary Shares have not been and will not be registered under the United Securities Act 1933 (as amended) nor under the applicable securities legislation of the United States or any province or territory of Canada, Australia, South Africa, the Republic of Ireland or Japan or in any country, territory or possession where to do so may contravene local securities law or regulations. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan or to any national, resident or citizen of the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

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EXPECTED TIMETABLE OF EVENTS

Publication of this document	2 April 2004
Admission and commencement of dealings on AIM	8 April 2004
Settlement of Placing Shares through CREST	8 April 2004
Despatch of definitive share certificates in respect of the Placing Shares to Placees by no later than	15 April 2004

PLACING STATISTICS

Placing Price per Ordinary Share	1.5p
Number of Placing Shares	166,666,667
Number of Ordinary Shares in issue following the Placing	453,666,667
Percentage of the enlarged share capital subject to the Placing	36.74 per cent.
Market capitalisation following Admission at the Placing Price	£6.81 million
Estimated net proceeds of the Placing	£2.3 million

DIRECTORS, SECRETARY AND ADVISERS

Directors	Chrisilios Kyriakou (Executive Chairman) Roger Arthur Shakesby (Non-executive Director) John Merfyn Roberts (Non-executive Director)
Registered Office and Directors' business address	Ocean House 10/12 Little Trinity Lane London EC4V 2AR
Secretary	TLAW Secretaries Limited
Nominated Adviser	Nabarro Wells & Co. Limited Saddlers House Gutter Lane Cheapside London EC2V 6HS
Broker	Keith, Bayley, Rogers & Co. Limited Sophia House 76-80 City Road London EC1Y 2EQ
Placing Agent	Hythe Securities Limited Hythe House 337 City Road London EC1V 1LJ
Auditors and Reporting Accountants	Sawin & Edwards 15 Southampton Place London WC1A 2AJ
Solicitors to the Company	Beshoffs Solicitors 131-151 Great Tichfield Street London W1W 5BB
Principal Bankers	Coutts and Co 188 Fleet Street London EC4A 2HT
Registrars	Capita Registrars The Registry 34 Beckenham Beckenham Kent BR3 4TU

DEFINITIONS

In this document, unless the context requires otherwise, the words and expressions set out below shall bear the following meanings.

“Act”	the Companies Act 1985, as amended
“Admission”	admission of the Ordinary Shares in issue following the Placing to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the Alternative Investment Market of the London Stock Exchange
“AIM Rules”	the rules of AIM as published by the London Stock Exchange
“Atlas”	Atlas Consolidated Mining & Development Corporation
“Company” or “TCC”	Toledo Copper Corporation PLC
“Directors”	the directors of the Company
“KBR”	Keith, Bayley, Rogers & Co. Limited
“London Stock Exchange”	London Stock Exchange plc
“Nabarro Wells”	Nabarro Wells & Co. Limited
“Official List”	the Official List of the United Kingdom Listing Authority
“Ordinary Shares”	ordinary shares of £0.001 each in the capital of the Company
“Placees”	the subscribers for Placing Shares pursuant to the Placing
“Placing”	the placing of the Placing Shares at the Placing Price pursuant to the Placing
“Placing Price”	1.5p per Ordinary Share
“Placing Shares”	the 166,666,667 new Ordinary Shares being issued by the Company pursuant to the Placing
“Shareholders”	holders of Ordinary Shares
“US\$”	references to US currency

PART I

INFORMATION ON THE COMPANY

Introduction

TCC has been established for the purpose of making investments in the mining and minerals sector. The investments may be either quoted or unquoted and may be in companies, partnerships, joint ventures or direct interests in mining projects. Whilst it is likely that the investments will be made in exploration or development stage undertakings, the Directors may decide that the Company should invest in producing assets. There are no geographic restrictions on investment.

The Directors believe that, in current market conditions, good opportunities exist for investment in situations which are, in their opinion, undervalued or capable of showing an above average return.

Strategy

The Directors have extensive knowledge and experience in the mining sector, and, accordingly, investment propositions will be considered wherever the Directors perceive that enhanced values may be achieved. The Directors are experienced in evaluating acquisition and investment prospects, quoted and unquoted, both in the UK and overseas. A particular consideration will be to identify investments which are, in the opinion of the Directors, under-performing or undervalued, and where the Directors believe that their expertise and experience can be deployed to facilitate growth or unlock inherent value.

The Company intends to be an involved and active investor. Accordingly, where necessary, the Company may seek participation in the management or board of directors of a company in which the Company invests with a view to improving its performance and use of its assets in such ways as should result in an upward re-rating of the value of such companies, with the resultant benefit which should show a satisfactory return to the Company's shareholders.

The Directors are confident that the resources of the Company can be fully invested within two years. If no investments have been made within that period, funds will be returned to shareholders. It is likely that a substantial portion of resources will be invested in a small number of propositions.

The Directors consider that it is probable that, as investments are made, and new promising investment opportunities arise, further funding of the Company will be required.

Current investment

The Directors are in negotiations with a view to securing the Company's first investment and pursuant to these negotiations has lent \$1.2 million to Mr. A. C. Ramos. Further details of the loan agreement are set out in paragraph 5.3 of Part III of this document.

Mr. Ramos has a substantial interest in the share capital of Atlas, a company based in the Philippines and quoted on the Philippine Stock Exchange. He is also President and Chief Operating Officer of Atlas. Mr. Ramos has extensive business interests within the Philippines and offshore including many listed public companies. His business interests include mining, oil and gas, finance companies, stockbroking, printing and publishing, oil drilling, railroads and public transport, power generation, travel agencies, real estate, farms, hotels, shopping centres, office blocks, housing estates, condominiums, gaming and construction. He holds directorships, executive management positions and significant shareholdings in a number of prominent Filipino companies.

Atlas has a number of mining interests, including the Toledo copper mine. The purpose of the initial loan of \$1.2 million to Mr. Ramos is to provide him with funding to secure Atlas's interest in this mine by settling the balance of its outstanding creditors.

Following the settlement of Atlas's outstanding creditors, Mr Ramos has undertaken to endeavour to procure an agreement between TCC and Atlas for the financing of the Toledo copper mine. The principal features of such an agreement are expected to be as follows:

- TCC will lend US\$ 3 million to Atlas to fund a bankable feasibility study on the Toledo mine (and which will be used in part to repay to TCC the US\$1.2 million owed to it currently by Mr Ramos);
- TCC will have the right to acquire a 40 per cent. interest in the Toledo mine for an equity contribution of US\$ 18 million towards project finance (of which US\$3 million will be satisfied by conversion of the loan to Atlas referred to above);
- TCC might also be required to lend up to a further US\$10 million in the form of subordinated debt as additional financing for the Toledo mine;
- If TCC does not acquire the interest in the Toledo project, the loan of US\$3 million may be repaid or, at the option of TCC, converted into shares in Atlas.

There is no commitment by either TCC or Atlas in respect of the above until an agreement with Atlas is concluded. Following the Placing, TCC will not have sufficient funds to invest in the Toledo mine on the basis envisaged above. The Directors therefore expect that TCC will have to raise further equity capital to make this investment.

Information on the Toledo copper mine

The Toledo copper mine is located in the Atlas copper deposits on Cebu Island in the Philippines. The site is approximately 50km from the capital of Cebu City and around 17km by road from the port at Sangi.

Mining of the Toledo copper deposits commenced in 1955. After operating for some 38 years a typhoon hit Cebu Island and the mine was forced to suspend operations in 1993. In February 1998 Behre and Dolbear, Australia validated a bankable feasibility study prepared by Minoro Mining Exploration Company for the rehabilitation and reopening of the mine to be a technically and economically viable operation.

The Toledo copper mine was mined for several decades by Atlas. During this period the Toledo mine became known as one of the larger copper producers in the world.

Suspension of mining operations was caused by a typhoon, resulting in the flooding of the open pit and the underground workings.

Mining of the Deposits by ATLAS

Since its inception Atlas has mined from the Toledo mine a total of approximately 667.4 billion tonnes of ore and produced over 5.65 billion pounds of copper, 1.96 million ounces of gold and 7.2 million ounces of silver, from The Toledo mine. Current resources are of the order of 874Mt at 0.41 per cent. copper.

The Toledo mine consists of three open pits and two underground mines. Peak production at Toledo was reached between the period from 1979 to 1984, when the operation was mining at a rate of 103,000 tonnes per day with three separate milling plants and concentrators in operation.

Philippines

Traditionally the Philippines has a long, well-established history of production from its mines, principally chromite, copper, nickel and gold. Production has been hampered, however, for the last two decades by the effects of low foreign investment, political instability and low international metal prices, accompanied by high operating and production costs.

Currently there is a national policy focusing on the revitalisation of the minerals industry specifically addressing the policy gaps in mineral resources management of the Mining Act of 1995. In addition, President Gloria Macapagal Arroyo has issued an executive order outlining the national policy agenda on revitalising mining in the Philippines, boosting the government's efforts to resuscitate the industry.

The Directors consider that it is appropriate for the Company to pursue an investment based in the Philippines.

Directors

The Directors are as follows:

Chrisilios Kyriakou, Executive Chairman

Chrisilios (“Chris”) Kyriakou (aged 53) qualified as a lawyer in 1973 from Sydney University. He was in private practice for the next 6 years before starting Pan D’Or Mining Company which became Walhalla Mining Company. Between 1979 and 1985 Chris managed the integration of a number of acquisitions into Walhalla such that by 1987 the group had cash reserves in excess of A\$120 million. From 1987 to 1988, as executive director, Chris managed a divestment program for the group on behalf of its shareholders. Since then Chris has been continuously involved in the mining industry and has extensive experience in Australia, Canada, Africa and Mexico. He has been responsible for the development of a number of mines from exploration through to project finance and commissioning. He has been an executive director of a number mining companies such as Giant Yellowknife Mines, Pamour Mines, West Witwatersrand Gold Holdings, Bow River Diamonds and Minera Roca Roja amongst others.

Roger Shakesby, Non-executive Director

Roger Shakesby (aged 64) holds a BSc in Geology and Geography from Durham University and began his career as a geologist working in Australia and the Philippines. In 1971 he joined Gold Fields, where he was involved and eventually managed the exploration programme for Australia, Philippines, Indonesia and Papua New Guinea. In 1982 he was appointed the general manager for Exploration for Renison Goldfields Consolidated. Under his tenure this company expanded its portfolio with the discovery of several precious metals and base metals deposits. In 1992 he was appointed as a member of the executive committee at Renison Goldfields Consolidated. In 1994 he joined Walhalla Mining Company as a technical director. Since 1998 he has been a consulting economic geologist, working in Australia, Russia and the Philippines.

Merfyn Roberts, Non-executive Director

Merfyn Roberts (aged 53) holds a BSc in geology from Liverpool University, an MSc from the University of Oxford in geochemistry and began his career working as a geologist working in the UK and in North Africa. In 1976 he joined Thompson McLintock & Co. in London and qualified as a chartered accountant in 1980. He joined Charter Consolidated Limited in 1982 as an equity investment analyst and in 1985 he joined Target Group Plc where he managed the Gold, Commodity and World Income Unit Trusts. In 1990 he joined Minorco SA in London to set up and manage Minorco’s in-house equity funds which by the time he left in 1996, specialised in the natural resources sector. Since 1996 he has been involved with Dragon Resources Limited, a natural resources based equity fund, as investment director until 2000 and subsequently as investment consultant. He is also an executive director of Ocean Resources Capital Holdings plc and a non-executive director of Resources Investment Trust plc.

In accordance with Rule 7 of the AIM Rules, each of the Directors has agreed not to dispose of any interest in Ordinary Shares held by him or his associates at the date of Admission for a period of one year following Admission, save as permitted by the AIM Rules.

The Placing

The Placing is conditional *inter alia* on Admission. The Placing Shares allotted pursuant to the Placing, following allotment, will rank *pari passu* in all respects with the existing Ordinary Shares of the Company.

Reasons for the Placing and use of proceeds

The proceeds of the Placing will be used to provide the further loan finance referred to under “Current investment” on page 6 above, in the event that an agreement with Atlas is concluded. If such an agreement is not concluded, the proceeds of the Placing will be applied to other, as yet unidentified opportunities. In addition, the placing proceeds will provide working capital for the Company.

TCC is seeking Admission to AIM in order to take advantage of that market’s higher profile, wider investor base, greater liquidity and better access to institutional investors.

The Directors consider that, taking into account the net proceeds of the Placing, the Company will have sufficient resources for its present requirements, that is for at least the next twelve months from Admission.

Dividend policy

The nature of TCC's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. The Directors believe the Company should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profits, when it becomes commercially prudent to do so.

Taxation

The attention of prospective investors is drawn to the taxation section in paragraph 8 of Part III of this document.

Lock-in arrangements

As well as the Directors, Sierra International Services Limited, which holds 50,000,000 Ordinary Shares, representing 11.02 per cent. of the issued share capital, has undertaken not to dispose of any interest in their Ordinary Shares for a minimum period of twelve months following Admission except in the very limited circumstances allowed by the AIM Rules. In addition, Resources Investment Trust plc and Absolute Resources LP, which together hold 87,000,000 Ordinary Shares, representing in aggregate 19.18 per cent. of the issued share capital, have undertaken not to dispose of any interest in their Ordinary Shares for a minimum period of six months following Admission except in the very limited circumstances allowed by the AIM Rules.

Corporate governance

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of Shareholders. As the Company grows, the Directors intend that it should develop policies and procedures which reflect the Principles of Good Governance and Code of Best Practice as published by the Committee on Corporate Governance (commonly known as the "Combined Code"). So far as is practicable, taking into account the size and nature of the Company, the Directors will take steps to comply with the Combined Code.

The Directors have established an audit committee to receive and review reports from management and from the auditors relating to the interim and annual accounts and to the system of internal financial control. The Directors have also established a remuneration committee which will determine the terms and conditions of service of executive directors.

The Company has adopted the Model Code for Directors' Dealings as applicable to AIM companies and will take all proper and reasonable steps to ensure compliance by the Directors and relevant employees.

CREST

The articles of association of the Company permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 1995. The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in the CREST system if the relevant Shareholders wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain certificates will be able to do so.

Risk Factors

The Directors consider the following risks to be the most significant for potential investors in the Company. However, the risks listed do not necessarily comprise all those associated with an investment in the Company:

- The Company will initially be dependent upon the ability of the Directors to identify suitable investment opportunities and implement the Company's strategy.
- The Company may be unable to effect an investment in an identified opportunity, as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence.
- The Company's main strategic focus for investment will be in the mining and minerals sector and therefore the Company will be exposed to general exploration, mining and processing risks. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in the damage to, or destruction of, mines and or other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimise risk will be taken, operations are subject to hazards which may result in environmental pollution and consequent liability which could have an adverse impact on business, operations and financial performance of the Company.
- The Company's total return and net assets can be significantly affected by currency movements.
- The Company may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.
- The managements of targeted companies may not always welcome pro-active involvement and may be resistant to change.
- The Company is likely to face competition from other entities operating in its business sector, many of which may have significantly greater resources than the Company.
- The market price of the Ordinary Shares may not reflect the underlying value of the assets of the Company.
- The market in the Ordinary Shares may be illiquid or subject to sudden or large fluctuations and it may be difficult for an investor to sell his Ordinary Shares and he may receive less than the amount originally invested.
- In order to conclude an investment in the Toledo mine on the basis described above, it is most probable that the Company will have to raise further equity.
- The loan to Mr Ramos is not secured against any asset. Although the Reporting Accountants have been unable to satisfy themselves of the recoverability of this loan, the Directors are confident that it will be repaid under the terms of the loan agreement.

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors in any doubt are advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

PART II

ACCOUNTANTS' REPORT ON THE COMPANY

2 April 2004

The Directors
Toledo Copper Corporation PLC
Ocean House
10/12 Little Trinity Lane
London EC4V 2AR

The Directors
Nabarro Wells & Co. Limited
Saddlers House
Gutter Lane
London EC2V 6HS

The Directors
Keith, Bayley, Rogers & Co. Limited
Sophia House
76-80 City Road
London EC1Y 2EQ

Dear Sirs,

Toledo Copper Corporation PLC

We report in connection with the application for admission to trading on AIM of all the existing issued ordinary shares of £0.001 each in Toledo Copper Corporation PLC (the "Company") that is referred to in this Admission Document dated 8 April 2004 (the "Admission Document").

Basis of preparation

The financial information set out below is for the period from 25 February 2004, the date of the Company's incorporation, to 12 March 2004 and has been prepared in accordance with United Kingdom Generally Accepted Accounting Principles.

Responsibility

The financial information relating to the Company presented below is the responsibility of the directors of the Company who have approved it.

The directors of the Company are responsible for the contents of the Admission Document in which this report is included.

It is our responsibility to compile the financial information set out in our report and to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statement of Investment Circular Reporting Standards by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information.

We planned and performed our work so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

However, the evidence available to us was limited in that we were not able to obtain sufficient evidence to satisfy ourselves of the recoverability of the unsecured loan detailed in note 1, to the Balance Sheet below.

Qualified opinion arising from limitation in scope of our work

Except for any adjustment that might have been found to be necessary had we been able to obtain evidence on the recoverability of the loan, in our opinion the financial information set out below gives, for the purposes of the Admission Document, a true and fair view of the results and of the state of affairs of the Company at 12 March 2004.

As there has been no trading activity except for the advance of the loan referred to in Note 1 below and no dividends have been paid or received from 25 February 2004, the date of the Company's incorporation to 12 March 2004, no profit or loss account is presented.

On incorporation the Company issued 50,000,000 ordinary shares of £0.001 each as subscriber shares at par and received consideration of £50,000 in cash.

On 27 February 2004 the Company issued 150,000,000 ordinary shares of £0.001 each at par for consideration of £150,000.

On 1 March 2004 the Company issued a further 87,000,000 ordinary shares of £0.001 each at a price of 0.75p for consideration of £652,500 resulting in a premium of £565,500

The balance sheet of the Company as at 12 March 2004 is as follows:-

Current Assets		£
Cash		20,043
Debtors – called up share capital unpaid		175,000
Unsecured loan (note 1)		657,457
		<u>£852,500</u>

Capital and Reserves		£
Called up share capital		287,000
Share premium		565,500
		<u>£852,500</u>

Notes to the Balance Sheet

1. The unsecured loan is to a Mr Alfredo C Ramos, a resident of the Philippines. The loan is interest free (except in the event of default) and is repayable on 1 June 2004.
2. The loan is denominated in US dollars and is repayable in that currency in the sum of US\$1.2 million.
3. The loan has been translated into sterling at historical rates.

We consent to the inclusion of this report in the Admission Document and accept responsibility for its contents for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Sawin & Edwards
Chartered Accountants

PART III ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company is registered in England and Wales, having been incorporated on 25 February 2004 under the Companies Act 1985 ("Act") with registered number 5055833 as a public company limited by shares with the name Toledo Mining Corporation PLC. The Company changed its name to its current name by certificate of incorporation on change of name dated 3 March 2004. The liability of members is limited.
- 1.2 The principal legislation under which the Company operates is the Act.
- 1.3 The Company has no subsidiary or associated undertakings.
- 1.4 On 26 February 2004, the Registrar of Companies issued a certificate entitling it to do business under the provisions of section 117 of the Act.

2. Share capital

- 2.1 On incorporation, the Company had an authorised share capital of £2,000,000 divided into 2,000,000,000 ordinary shares of £0.001 each of which 50,000,000 were issued, fully paid, to the subscribers to the memorandum of association of the Company.
- 2.2 On 27 February 2004, an aggregate of 150,000,000 Ordinary Shares were issued for cash at £0.001 per share and were subscribed for by the following:

Name	Number of Ordinary Shares
Sierra International Services Limited	50,000,000
Craggan International Limited	30,000,000
Wai Yip Investments Ltd	20,000,000
Golden Dragon Trading Ltd	20,000,000
Hartford Investment Group Limited	15,000,000
Emora Pty Limited	10,000,000
Highpoint Securities Limited	5,000,000

- 2.3 On 1 March 2004, a further 77,000,000 Ordinary Shares were issued for cash at £0.0075 per share to Resources Investment Trust plc.
- 2.4 On 1 March 2004, a further 10,000,000 Ordinary Shares were issued for cash at £0.0075 per share to Absolute Resources LP.
- 2.5 On Admission the Company intends to allot a further 166,666,667 Ordinary Shares for cash at £0.015 per share pursuant to the Placing.
- 2.6 The authorised and issued share capital of the Company as it will be immediately following Admission are as follows:

Authorised		ordinary shares of £0.001 each	Issued and fully paid	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£2,000,000	2,000,000,000		£453,667	453,666,667

- 2.7 The Company has, conditional on Admission, granted the Directors options to subscribe for 17,500,000 Ordinary Shares at £0.02 per Ordinary Share at any time up to the third anniversary of Admission.
- 2.8 The Company has, conditional on Admission, granted a consultant an option to subscribe for 750,000 Ordinary Shares at £0.02 per Ordinary Share at any time up to the third anniversary of Admission.

- 2.9 The Company has, conditional on Admission, granted Nabarro Wells an option to subscribe for 2,500,000 Ordinary Shares at £0.02 per Ordinary Share at any time up to the third anniversary of Admission.
- 2.10 The Ordinary Shares will rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this document.
- 2.11 Save as disclosed above and in connection with the Placing, no share or loan capital of the Company is proposed to be issued or is under option or is agreed conditionally or unconditionally to be under option.
- 2.12 Following Admission, the Ordinary Shares may be held in either certificated or uncertificated form.
- 2.13 Save as disclosed in this document:
- no share or loan capital of the Company has been issued or is proposed to be issued;
 - no person has any preferential subscription rights for any share capital of the Company;
 - no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option; and
 - no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.
- 2.14 Subject to any direction of the contrary which may be given by the Company in general meeting, the Directors are unconditionally authorised to allot, create, deal with or otherwise dispose of relevant securities (within the meaning of section 80(2) of the Act) to such persons (including any director) on such terms and at such times as they think fit, but no shares shall be issued at a discount. This authority remains in force for five years from the date of incorporation of the Company.
- 2.15 The provisions of section 89(1) of the Act, which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash, do not apply to the authorised but unissued share capital of the Company.
- 2.16 The Ordinary Shares have not been admitted to dealings on any recognised investment exchange or other trading facility nor has any application for such admission been made, and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.
- 2.17 1,546,333,333 Ordinary Shares will remain authorised and unreserved for issue which represents 77.3 per cent. of the issued share capital of the Company.

3. Memorandum and articles of association

- 3.1 In this paragraph 3, references to the “Statutes” are references to the Act and every other Act for the time being in force concerning companies and affecting the Company.
- 3.2 The principal objects of the Company are set out in full in clause 4 of the memorandum of association and include carrying on the business of a general commercial company.
- 3.3 The articles of association of the Company (the “Articles”) contain, *inter alia*, provisions to the following effect:

Transfer

Except as may be required by any procedures implemented pursuant to the Articles in accordance with the Statutes following the introduction of paperless trading, all transfers of shares must be in any usual form or in any other form, which the Directors may approve. The instrument of transfer must be signed by or on behalf of the transferor and, if the shares being transferred are not fully paid, by or on behalf of the transferee. The Directors may refuse to register any transfer of any share that is not fully paid and they may refuse to register the transfer of any share on which the Company has a lien. They may also refuse to register a transfer of any share in favour of more than four persons jointly, and a transfer which has not been lodged at the Company's registered office or such place as the board may determine and which is not accompanied by the certificates for the shares to which it relates.

Voting rights

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (as to which there are none at present) on a show of hands every holder or an Ordinary Share present in person or by proxy (if an individual) or duly authorised representative (if a corporation) shall have one vote, and on a poll every holder of an Ordinary Share shall have one vote for each Ordinary Share of which he is the holder.

Dividends

The profits of the Company available for distribution and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. No dividend may exceed the amount recommended by the Board of Directors.

Return of capital

If the Company shall be wound up, the liquidator may, with the authority of an extraordinary resolution (and any other sanction required by the Act), divide among the members *in specie* the whole or any part of the assets of the Company and may determine how such division shall be carried out between the members or different classes of members

Variation of rights

None of the rights, privileges or conditions for the time being attached to or belonging to any class of shares forming part of the issued share capital for the time being of the Company shall be modified, varied or abrogated in any manner except with the consent in writing of the holders of three fourths in nominal value of the issued shares of the class or, subject to the provisions of the Statutes, the sanction of an extraordinary resolution passed at a separate meeting of the members of that class.

Changes in share capital

The Company may by ordinary resolution increase its share capital, cancel any unissued shares, consolidate all or any of its share capital into shares of larger amount and, subject to the provisions of the Statutes, subdivide its shares into shares of smaller amount. Subject to the provisions of the Statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

Purchase by the Company of its own shares

Subject to the provisions of the Statutes and to the authority of the Company in general meeting required by the Statutes, the Company may purchase its own shares.

Unclaimed dividends

Any dividend unclaimed after a period of 12 years from the date it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow upon such terms and in such manner as they think fit and, subject to the Statutes, to grant any mortgage, charge or debentures, debenture stock or other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Directors

Unless otherwise determined by ordinary resolution, the number of directors shall not be not less than two nor more than 10.

4 Directors' and other interests

- 4.1 The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and the persons connected with them (within the meaning of Section 346 of the Act) which have been notified to the Company pursuant to Sections 324 and 328 of the Act or are required to be disclosed in the Register of Directors' Interests pursuant to Section 325 of the Act in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this document are as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Chrisilios Kyriakou	50,000,000	11.02%

Merfyn Roberts is an 18 per cent. partner in Absolute Resources LP, which holds 10,000,000 Ordinary Shares.

The directors hold options over Ordinary Shares as follows:

<i>Name</i>	<i>Number</i>
Chrisilios Kyriakou	10,000,000
Merfyn Roberts	2,500,000
Roger Shakesby	5,000,000

- 4.2 Save as disclosed above, none of the Directors nor any member of their respective immediate families nor any person connected with the Directors (within the meaning of Section 346 of the Act) has any interest, whether beneficial or non-beneficial, in any share capital of the Company.
- 4.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 4.4 Save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.
- 4.5 Save as disclosed in paragraph 4.1, the Company is only aware of the following persons who, immediately following Admission, directly or indirectly, jointly or severally, hold or will hold 3 per cent. or more of the ordinary share capital of the Company or exercise or could exercise control over the Company:

Name	Number of Ordinary Shares	Percentage of issued share capital
RAB Special Situations LP	96,000,000	21.16%
Resources Investment Trust plc	77,000,000	16.97%
Sierra International Services Limited	50,000,000	11.02%
Craggan International Limited	30,000,000	6.61%
Wai Yip Investments Ltd	20,000,000	4.41%
Golden Dragon Trading	20,000,000	4.41%
Hartford Investment Group Limited	15,000,000	3.31%

Save as disclosed above, the Company is not aware of any person who, immediately following Admission and the Placing will, directly or indirectly, be interested in 3 per cent. or more of the capital of the Company, or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

4.6 Each of the non-executive Directors has a director's appointment letter dated 17 March 2004. The letter appoints each Director as a director of the Company at an annual fee of £15,000 (plus VAT if applicable).

4.7 The services of Chrisilios Kyriakou are provided through a contract for services dated 7 March 2004 (the "Consultancy Agreement"). Under the terms of the Consultancy Agreement, services are agreed to be provided in relation to Chrisilios Kyriakou acting as executive Chairman. For the provision of the services the Company pays a monthly fee of £4,167 (exclusive of VAT).

The Consultancy Agreement is for a fixed term of one year and, thereafter, continues until terminated by either party giving to the other party not less than three months notice in writing.

4.8 Save as disclosed in paragraphs 4.6 and 4.7 above, there are no contracts, existing or proposed, between any Director and the Company.

4.9 There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

4.10 It is estimated that under the arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the 16 months ending 30 June 2005 will be approximately £106,700

4.11 In addition to the directorships in the Company the Directors hold or have held the following directorships within the five years immediately prior to the date of this document:

Name	Current Directorships	Past Directorships
Chrisilios Kyriakou	Investika Ltd QuikTrak Networks Ltd QuikTrak Networks plc QuikTrak Telecommunications (UK) Ltd QuikTrak (UK) Ltd QuikTrak Telecommunications BV	-
Merfyn Roberts	Ocean Resources Capital Holdings Plc Resources Investment Trust Plc Emerald Energy Plc	Estelar Resources Ltd
Roger Shakesby	Shakesby Investments Pty Ltd	QuikTrak Networks Ltd Walhalla Mining Company Ltd

Merfyn Roberts is a partner in Absolute Resources LP.

First Toronto Capital Corp was placed into liquidation in approximately 1990 at which time Chrisilios Kyriakou was a director.

4.12 Save as disclosed above none of the Directors has:

- any unspent convictions in relation to indictable offences;
- had any bankruptcy order made against him or entered into any voluntary arrangements;
- been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;
- been publicly criticised by any statutory or regulatory body (including recognised professional bodies); or
- been disqualified by a court from acting as a director of any company or from acting in the management or conduct of affairs of a company.

5 Material contracts

The following contracts, not being contracts entered into in the ordinary course of business of the Company, have been entered into by the Company and are or may be material:

5.1 Nominated Adviser agreement

An agreement dated 17 March 2004 between (1) Nabarro Wells and (2) the Company under which Nabarro Wells has agreed to act as the Company's nominated adviser for one year from Admission and thereafter, unless terminated by six months' written notice by Nabarro Wells or the Company (the "Nominated Adviser Agreement"). Under the Nominated Adviser Agreement, the Company has agreed to pay to Nabarro Wells a fee of £20,000 (plus VAT) plus the option referred to in paragraph 2.7 above together with annual fee of £10,000 (plus VAT).

5.2 Broker agreement

An agreement dated 24 March 2004 between (1) KBR and (2) the Company pursuant to which KBR has agreed to act as the Company's broker from Admission until terminated by 30 days' written notice by KBR or the Company (the "Broker Agreement"). Under the Broker Agreement, the Company has agreed to pay to KBR an annual fee of £20,000 (plus VAT). In addition, the Company has agreed to pay to KBR a fee of £15,000 (plus VAT) on Admission.

5.3 Loan Agreement

An agreement dated 25 February 2004 between the Company (1) and Mr Alfredo Ramos (2) pursuant to which the Company made available to Mr Ramos US\$1.2 million, which he has

fully drawn down. The loan is interest free (save in default), unsecured and repayable by 1 June 2004.

Save as disclosed above, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are or may be material.

6 Litigation

There are no legal or arbitration proceedings (including, to the knowledge of the Directors, any such proceedings which are pending or threatened by or against the Company) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position of the Company.

7 Working capital

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company will, from the date of Admission, be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

8 Taxation

The comments in this section are intended as a general guide for the benefit of holders of shares as to their tax position under United Kingdom law and Inland Revenue practice as at the date of this document. Any Shareholder who has any doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult a professional adviser without delay.

8.1. Taxation of Dividends

Under current United Kingdom legislation, no tax is required to be withheld from dividend payments by the Company. A shareholder (other than a company) receiving a dividend from the Company also receives a tax credit in respect of the dividend of an amount equal to one ninth of the amount of the dividend which is 10 per cent. of the sum of the dividend and the tax credit. Generally, the liability to United Kingdom income tax is calculated on the sum of the dividend and the tax credit ("the dividend income"). Individual Shareholders whose income is within the starting rate or basic rate tax bands will be subject to income tax at the rate of 10 per cent. on their dividend income, so that such shareholders will have no further liability to income tax on that dividend income. The higher rate of income tax is 32.5 per cent. in respect of dividend income. A higher rate tax payer may set the tax credit against his liability to income tax on the dividend income, giving an effective rate of tax of 25 per cent. A shareholder who is not liable to income tax on the dividend income (or any part of it) may not claim payment of the tax credit (or part of it) from the Inland Revenue, save where the dividend is paid on or before 5 April 2004 in respect of shares held in an "individual savings account" or Personal Equity Plan.

A United Kingdom resident corporate shareholder is not normally liable to United Kingdom taxation on any dividend received. United Kingdom resident shareholders (including authorised unit trusts and open-ended investment companies) and pension funds are not entitled to payment in cash of the tax credit.

Whether shareholders who are resident for tax purposes in countries other than the United Kingdom are entitled to a payment from the Inland Revenue of a proportion of the tax credit in respect of dividends on their shares depends in general upon the provisions of any double taxation convention or agreement which exists between such countries and the United Kingdom. In addition, individual shareholders who are resident in countries other than the United Kingdom but who are Commonwealth citizens, nationals of member states of the European Economic Area or fall within certain other categories of person within Section 278 of the Income and Corporation Taxes Act 1988 are entitled to the entire tax credit which they may set against their total United Kingdom income tax liability. Non-United Kingdom resident shareholders should consult their own tax advisers on the possible application of such provisions and the procedure for claiming any relief or credit in respect of such tax credit in

their own jurisdictions. However, in general, no cash payment will be recoverable from the Inland Revenue in respect of the tax credit.

8.2. Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No stamp duty or SDRT will be payable on the issue of shares save that special rules apply to persons operating clearance services or depository receipt services.

A transfer or sale of shares will generally be subject to ad valorem stamp duty at the rate of 0.5 per cent. rounded up to the nearest multiple of £5 on the amount or value of the consideration paid by the purchaser. If an unconditional agreement for the transfer of such shares is not completed by a duly stamped transfer to the transferee by the seventh day of the month following the month in which the agreement becomes unconditional, SDRT will be payable on the agreement at the rate of 0.5 per cent. of the amount or value of consideration paid. Liability to SDRT is generally that of the transferee. Where a purchaser or transfer is effected through a member of the London Stock Exchange or a qualified dealer, the said member or dealer will normally account for the SDRT.

When shares are transferred to a CREST member who holds those shares in uncertificated form as a nominee for the transferor, no stamp duty or SDRT will generally be payable.

When shares are transferred by a CREST member to the beneficial owner (on whose behalf it has held them as nominee), no stamp duty or SDRT will generally be payable.

Where a change in beneficial ownership of shares held in uncertificated form occurs and such change is for consideration in money or money’s worth (whether the transferee will hold those shares in certificated or uncertificated form) a liability to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration will arise. This will generally be met by the new beneficial owner.

8.3. Section 574 Relief

The Ordinary Shares are likely to be treated as not being listed or quoted for the purposes of those sections of the Income and Corporation Taxes Act 1988 (the Taxes Act) which use those terms in relation to securities provided that the Company remains one which does not have any of its shares quoted on a recognised stock exchange (which for these purposes does not include AIM). Assuming that the Company remains a trading company or the holding company of a trading group for tax purposes in the UK, Sections 573 to 576 of the Taxes Act will (subject to the relevant conditions specified in those sections) apply to investment companies and individuals investing in the Ordinary Shares.

Section 574 of the Income and Corporation Taxes Act 1988 permits, a loss on a subscription for Ordinary Shares in a qualifying trading company to be relieved against an investor’s taxable income as an alternative to setting the loss against capital gains. Upon making the appropriate claim, relief is given against income on the tax year in which the loss arises, or the preceding year.

8.4. Inheritance Tax (“IHT”) Relief

Ordinary shares in companies admitted to trading on AIM, such as the Company, generally qualify for 100 per cent. IHT Business Property Relief provided that they have been held for two years prior to an event given rise to a potential charge of IHT. Any shareholder who has any doubts as to his IHT position should consult a professional adviser, especially before making any gift or transfer of shares.

8.5. Capital gains tax

Changes to the structure of capital gains tax for individuals, trustees and personal representatives were introduced on 6 April 1998, including changes to the rules relating to the holding of shares.

A disposal of shares is generally treated on a LIFO (last in, first out) basis for the purpose of calculating gains chargeable to tax.

In addition, gains made by individuals, trustees and personal representatives after 5 April 1998 may qualify for taper relief. This relief reduces the amount of a chargeable gain on disposal, depending on the length of time the shares have been held since 6 April 1998. With effect from 6 April 2000, disposals of any shareholdings in unquoted qualifying trading companies will qualify as business assets, eligible for enhanced rates of taper relief. Shareholdings disposed of on or after 6 April 2002 qualify for the maximum relief after two years, reducing the effective capital gains tax rate to 10% for a higher rate taxpayer.

9. General

- 9.1 In the Directors' opinion, the minimum amount which must be raised by the Company pursuant to the Placing in order to provide the sums required pursuant to paragraph 21(a) of Schedule 1 to the POS regulations is £2,500,000 comprising:-

Issue expenses and commissions	£200,000
Working Capital	£2,300,000
	<hr/>
	£2,500,000
	<hr/> <hr/>

- 9.2 The total proceeds which it is expected will be raised by the Placing are £2.5 million and the net proceeds after deduction of expenses are estimated at £2.3 million.
- 9.3 The accounting reference date of the Company is 30 June and the first audited accounts will be made up to 30 June 2005.
- 9.4 The expenses of and incidental to the Admission including registration and London Stock Exchange fees, professional fees and the costs of printing and distribution, are estimated to amount to approximately £75,000 (excluding VAT) together with £125,000 of commissions, all of which will be payable by the Company.
- 9.5 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- 9.5.1 received, directly or indirectly, from the Company within 12 months preceding the date of this document; or
- 9.5.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
- (a) fees totalling £10,000 or more; or
- (b) securities in the Company with a value of £10,000 or more; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 9.6 The financial information contained in Part II of this Prospectus does not constitute full statutory accounts as referred to in section 240 of the Act.
- 9.7 Sawin & Edwards have given and not withdrawn their written consent to the issue of this document with the inclusion of their Report and references to their name in the form and context in which they appear.
- 9.8 Nabarro Wells and KBR have each given and not withdrawn their written consent to the issue of this document with the inclusion of their name and references to their name in the form and context in which they appear.

- 9.9 Save as set out in this document, the Directors are not aware of any exceptional factors that have influenced the Group's activities.
- 9.10 The Placing has not been underwritten or guaranteed by any person.
- 9.11 Save as set out in this document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.
- 9.12 No paying agent has been appointed by the Company.
- 9.13 The Placing Shares will be issued at 1.5p per share, a premium of £0.014 per Ordinary Share above nominal value.
- 9.14 Save as disclosed in this document, no payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 9.15 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.
- 9.16 Save as disclosed in this document, there are no investments in progress which are significant.

10. Documents available for inspection

Copies of the following documents will be available, free of charge to the public, at the offices of Nabarro Wells at Saddlers House, Gutter Lane, London EC2V 6HS and from the registered office of the Company at Ocean House, 10/12 Little Trinity Lane, London EC4 2AR, during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until at least 30 days after the date of Admission:

- 10.1 the memorandum and articles of association of the Company;
- 10.2 the Accountants' Report set out in Part II of this document;
- 10.3 the Directors' letters of appointment referred to in paragraphs 4.6 and 4.7 of this Part III;
- 10.4 the material contracts referred to in paragraph 5 of this Part III; and
- 10.5 the letters of consent referred to in paragraphs 9.7 and 9.8 of this Part III.

2 April 2004