

The Directors of Almas Fund
The Directors of Pfimbi Ltd

Copy:
Capital Horizons Ltd.
The company secretary,

31st August 2020

Respected Shareholders,

Re: Company Restructure

The executive management of the company has taken note of the increased negative press the company has been subject to over the past weeks.

While we wish to reassure you that we are taking the necessary steps to address the unwarranted and adverse media the company has been subject to, it would nonetheless appear that despite ongoing actions the brand value of the company has been tarnished.

This may be due to but not limited to the factors listed below:

1. The majority of the company's subsidiaries are Zimbabwean which is a highly political and volatile jurisdiction.
2. The company is registered in Mauritius. At the time of its setup, Mauritius was a white list jurisdiction but since 2019 it has been included on the FATF grey list and ultimately been put on a blacklist by the EU.

Since that time Mauritius has been portrayed as a "tax haven" and is seen as a means of preventing the African continent from receiving rightful tax receipts. The Republic of Zambia recently unilaterally cancelled its Double Taxation Agreement with Mauritius on the ground that mining companies were using Mauritius to avoid Corporate Taxes in Zambia.

As you are aware, the company's mining assets in Zimbabwe are operating as well as can be expected despite the lack of funding over a prolonged period. The mining operations require significant capital investment to stabilize and increase output.



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In line with the team's vision of creating a Zimbabwean diversified mining champion, in which the company would welcome local co-investment, which in turn would drive greater operating certainty and profitability for its mining assets, management is proposing to the shareholders that they create a subsidiary in Zimbabwe, and proceed with a restructure of the ownership of the company's assets such that the Zimbabwean assets are held by a Zimbabwean holding company. This will give greater local substance to the holding company and give confidence to local Zimbabwean entities who would wish to invest in the mining group.

We hope that our request is favorably met by the shareholders and in the affirmative to confirm the same via board and shareholders' resolutions.

We have hereto attached a draft for your consideration.

Yours truly,



David Hugh BROWN
Chief Executive Officer



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