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FINAL TERM SHEET
FOR ISSUE OF
5% PERPETUAL PREFERRED SHARES
BY
Argento Limited
(A company incorporated in Mauritius with registration number 142386)

This document (**Term Sheet**) summarises the principal terms of a proposed private investment offering in the Company (**Investment**). This Term Sheet is not legally binding and there will be no obligation to issue or subscribe for shares in the Company until a binding investment agreement (**Investment Agreement**) is signed by the parties.

PART A: INVESTMENT TERMS

Business:	The Company is a fully controlled subsidiary of Obtala Limited and operates 312,465 hectares of long-term (50 year) forestry concessions within Northern Mozambique. The concessions contain over 10 different exotic hardwood species. The Company harvests and exports this hardwood timber.
Amount of investment:	Up to US\$19,250,000 (Investment Amount).
Minimum investment:	The minimum amount available for investment by the Investors must be increments of US\$100,000.
Type of Shares:	Perpetual Preferred shares (Shares).
Issue Price:	US\$350 per Share
Number of Shares:	Up to 55,000 Shares for new subscription
Capital Structure:	The capitalisation of the Company immediately prior to investment and after investment of the Investment Amount will be as set out in the table in Appendix 1 (Capitalisation Table).

- Conditions Precedent:
(for Investors benefit)**
- Due diligence being completed to the satisfaction of the Investors.
 - Agreement to the use of proceeds of the investment (**Agreed Use of Proceeds**).
 - Completion of the Investment Agreement and all existing holders of shares or options in the Company agreeing it supersedes any existing agreements between them.

Anticipated Settlement Date: 5 business days after satisfaction of all conditions precedent in the Investment Agreement (actual settlement date being referred to as **Settlement Date**).

Disbursement of Investment Amount: The Investment Amount will be subscribed for Shares on the Settlement Date and applied solely to expenditure as specified in the Agreed Use of Proceeds or otherwise approved by the Investors.

Preferred Dividend The Shares will have priority for an annual dividend equivalent to 5% of the amount subscribed for the Shares (which will compound until paid), and paid pro rata for any period up to a liquidity preference event (**Preferred Dividend**) and will also participate pro-rata in any further dividend paid on the ordinary shares.

Liquidity Event Preference: If the Company is liquidated or a significant liquidity event occurs (including a merger or share issue resulting in a change of control or a sale of a majority of the Company's assets) the Shares will receive (in preference to any distribution to the ordinary shareholders and in addition to payment of any outstanding Preferred Dividends) 1.5 times the total amount subscribed for the Shares (**Preference Amount**). Any balance available for distribution will be distributed pro-rata to all shareholders including the Investors.

Conversion: The Shares may be converted at any time after 30th August 2017 at the option of the Investor and will automatically convert into either of the following at the choice of the Investor:

- Argento Limited** ordinary shares on a 1 for 1 ratio.
- Obtala Limited** ordinary shares on a 1 Argento Preferred Share for 1,435 Obtala Limited Shares ratio (equivalent to 20p stock price using fixed 1.22 USDGBP FX rate).

Conversion ratios will be adjusted for any dilution. Upon a Liquidity Event the holder will be given the right to convert before any distribution is made with regard to that Liquidity Event.

Transfer and Drag Along: The Shares will be freely transferrable. In the case of a bona fide third party offer for the entire issued share capital of the Company, a majority of the ordinary shareholders shall be entitled to require all shareholders to sell their shares to the third party (in accordance with the proceeds receivable on a Liquidity Event Preference) subject to their right to convert on a Liquidity Event.

Board:	The Board will initially consist of the following but will be subject to alteration as business needs change:	
	Chairperson	Paul Dolan (Obtala CEO)
	Director	Warren Deats (Obtala COO)
	Director	Patrick Green (Forestry Head)
	Investor Representative Director	Martin Collins

Protective Provisions: Prior approval of the Investor director and is required for any of the following in relation to the Company:

- issues of equity, options or any instruments convertible to equity (other than issues already contemplated by the Investment Agreement and any pro-rata rights issues);
- any transaction or arrangement likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities not specifically identified in the Agreed Use of Proceeds, the value of which is greater than US\$10m;
- any other material departure from the Agreed Use of Proceeds;
- any change to accounting policies or the auditor; or
- any change to Director appointment rights.

Prior approval of a special resolution of Preferred Shareholders (majority) is required for the following:

- any Major Transaction or transaction involving the disposal of a material proportion of the Company's assets;
- any significant change in the nature of the Company's business (whether by acquisition or otherwise)
- any transaction between the Company and a Director, officer or employee of the Company or any Associate of any of them, unless that transaction has been approved by a unanimous resolution of the Board (including at least one Director who is not interested in the transaction).

Financial statements, reporting: Unaudited half-yearly statements and audited annual accounts, in all cases accompanied by reports covering all material aspects of the Company's progress.

Warranties: The Company will give warranties, including that (except as fully and fairly disclosed in a disclosure schedule)

- all intellectual property and other rights necessary to pursue

the Business are the full legal, beneficial and unencumbered property of the Company;

- the Company has no actual or contingent liabilities not specified in the statement of financial position provided to the Investors and such statement provides a true and fair view of the Company's position; and
- all other information provided to the Investors is true, accurate and complete in all material respects.

Agreed Use of Proceeds

Use of Proceeds for monies raised from Argento Preference share will be as follows:

First \$10m 25% to Obtala Ltd, 75% to Argento Ltd.

Next \$9.25m 100% to Obtala Ltd.

Transaction Fees:

Immediately following subscription of the Investment Amount, Obtala Limited will pay a sum to satisfy costs and commissions directly related, and limited solely to, this transaction which may be satisfied in the form of Preference Shares.

APPENDIX 1
Capitalisation Table

Class of Security	Pre-money (Term Sheet signing)		Post-money at Target			
	Shares	%	Cash-in	\$ per share	Share	%
<u>Shares</u> Montara Limited	50,000	100%	-	-	237,465	76%
<u>Pref Shares</u> Investors	-	-	\$19,250,000	\$350	75,000	24%
<u>Options</u>	-	-	-	-	-	-
<u>Debt</u>	-	-	-	-	-	-
Total fully-diluted		100%	\$19,250,000		312,465	100%

IMPORTANT INFORMATION

For further information on this transaction, please call Obtala Limited on +44-20-7099-1940, Paul Dolan.

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Any decision to purchase any of the Pref and to exercise the conversion option giving right to new ordinary shares to be issued upon conversion of the Pref should only be made on the basis of an independent review by you of Obtala's publicly available information. Neither the Company nor Obtala accepts any liability arising from the use of, or makes any representation as to the accuracy or completeness of, this document or Obtala's publicly available information. The information contained in this document is subject to change up until the issue date.

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You should proceed on the assumption that you must bear the economic risk of an investment in the securities for an indefinite period. Neither Obtala nor the Company makes any representation as to (i) the suitability of the securities for any particular investor, (ii) the appropriate accounting treatment and potential tax consequences of investing in the securities or (iii) the future performance of the securities either in absolute terms or relative to competing investments.

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