

## Highland Gold Mining Limited

26 New Street, St. Helier, Jersey, Channel Islands, JE2 3RA

### Private and Confidential

#### Fortiana Holdings Limited (the "Recipient")

Agias Elénis, 36, Galaxias Commercial Centre, Floor 4, Office 403  
1061 Nicosia  
Cyprus

28 July 2020

Dear Sirs

### Project Lago / Speed

We refer to discussions between us relating to the Recipient's possible interest (the "**Proposal**") in Highland Gold Mining Limited (the "**Company**"). In consideration of us or any of our Connected Persons making available certain information to the Recipient or any of its Connected Persons, we agree as follows:

## 1 DEFINITIONS AND INTERPRETATION

### 1.1 In this letter:

- (a) "**27 July Letter**" means the letter dated 27 July 2020 from Vladislav Sviblov to the Company sent in connection with the Proposal;
- (b) "**Affiliate**" means, in respect of a person, any other person directly or indirectly controlling, controlled by or under common control with, such person (where 'control' when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities or otherwise);
- (c) "**Confidential Information**" means all information (in whatever form) provided by or on behalf of the Company or any of its Connected Persons to the Recipient and/or its Connected Persons in connection with the Proposal, whether provided before, on or after the date of this letter, together with such portions of analyses, compilations, studies and other data and materials prepared by the Recipient or by any of its Connected Persons which contain, incorporate or are generated from any such information. Confidential Information does not include, however, information which:
  - (i) is or becomes generally available to the public other than as a result of a breach of this letter;
  - (ii) was available to the Recipient or any of its Connected Persons on a non-confidential basis prior to its disclosure by the Company or any of its Connected Persons; or
  - (iii) becomes available to the Recipient or to any of its Connected Persons on a non-confidential basis from a person other than the Company or any of its Connected Persons who is not otherwise bound by an obligation of confidentiality (so far as the Recipient or such Connected Person is aware having made reasonable enquiry) to the Company or any of its Connected Persons in relation to that information;
- (d) "**Connected Person**" means, in relation to either party, members of that party's Group and its and their directors, officers, employees and Representatives;
- (e) "**Code**" means the City Code on Takeovers and Mergers, as amended from time to time and as interpreted by the Panel;

- (f) “**Data Protection Law**” means any applicable data protection and privacy laws, regulations and other similar instruments in any relevant jurisdiction;
- (g) “**Group**” means:
  - (i) in relation to the Company, the Company and its Affiliates; and
  - (ii) in relation to the Recipient, the Recipient and its Affiliates;
- (h) “**Panel**” means The Panel on Takeovers and Mergers;
- (i) “**Permitted Recipients**” means (a) the Recipient and those of its Connected Persons who the Recipient reasonably considers need to know the Confidential Information for the purpose of evaluating, negotiating, advising on, implementing and/or financing the Proposal; and (b) the actual and potential providers of debt finance to the Recipient’s Group in relation to the Proposal;
- (j) “**Personal Data**” means any personal data (as defined under applicable Data Protection Law) that is disclosed by or acquired in any way (and whether directly or indirectly, or before, on or after the date of this letter) from the Company or any of its Connected Persons;
- (k) “**person**” shall be broadly interpreted to include, without limitation, any corporation, company, partnership, other entity or individual; and
- (l) “**Representatives**” means professional advisers and insurance brokers to a party to this letter and, in respect of each such person, its directors, officers, employees and professional advisers.

**1.2** Any provision of this Agreement:

- (a) which is expressed as an obligation of the Company’s Connected Persons shall be interpreted as an obligation of the Company to be liable for any of its Connected Persons failing to comply with that obligation; and
- (b) which is expressed as an obligation of the Recipient’s Connected Persons or its Permitted Recipients (including, without limitation, an obligation of members of the Recipient’s Group) shall be interpreted as an obligation of the Recipient to be liable for any of its Connected Persons or Permitted Recipients (as the case may be) failing to comply with that obligation except to the extent that any Connected Person or Permitted Recipient (as the case may be) has (i) directly entered into a confidentiality undertaking with the Company in writing in relation to the Confidential Information; or (ii) has entered into a confidentiality undertaking in favour of the Company on substantially the same terms as this letter (to the extent such terms are applicable to Connected Persons or Permitted Recipients, as the case may be) in a form reasonably acceptable to the Company.

**2 CONFIDENTIALITY**

**2.1** The Recipient and the other Permitted Recipients will:

- (a) keep all Confidential Information confidential using no lesser standard of care that it applies to its own commercially-sensitive non-public information and not disclose any Confidential Information to any person other than Permitted Recipients, provided that (prior to such disclosure) it shall first make each such Permitted Recipient to whom it intends to provide

Confidential Information aware of the obligations of confidentiality contained in this letter and shall require each such Permitted Recipient to be bound by the same restrictions concerning Confidential Information and (to the extent applicable to such Permitted Recipient) the other provisions of this letter as if it were a party to this letter;

- (b) not use Confidential Information for any purpose other than in connection with its evaluation, negotiation, advising on, implementation and/or financing of the Proposal;
- (c) not disclose to any person (other than to Permitted Recipients or if authorised to do so in writing by the Company) any information about the Proposal including, without limitation, the fact that the Recipient is interested in making a possible proposal in relation to the Company the existence or terms of Proposal, the fact that discussions are taking place or the status of such discussions, the existence or terms of this letter or the fact that Confidential Information has been made available to any Permitted Recipient.

### **3 FORCED AND PERMITTED DISCLOSURE**

**3.1** If the Recipient or any of the other Permitted Recipients is requested or required by applicable law or regulation or by any governmental or other regulatory authority, order of a court of competent jurisdiction or the requirements of any stock exchange to disclose any Confidential Information it may do so and will, to the extent lawful and reasonably practicable:

- (a) provide the Company with prompt written notice of such request or requirement;
- (b) consult with the Company with respect to taking steps to resist or narrow the scope of such request or legal process; and
- (c) co-operate with the Company and take such steps as it may reasonably require in order to mitigate the extent of, or avoid the requirement for, any such disclosure.

**3.2** Nothing in this letter shall prevent the Recipient or its Connected Persons:

- (a) disclosing Confidential Information or information about the Proposal to the Panel or the Russian Federal Antimonopoly Service; or
- (b) making an announcement which makes reference to the Proposal to the extent required by the Code or the Panel,

provided that, in the case of (b), to the extent permitted by applicable law and regulation and the Panel, the Recipient will (i) promptly notify the Company, and (ii) consult with the Company as to possible steps to avoid or limit the required disclosure.

### **4 RECORD KEEPING; RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION**

**4.1** The Recipient will keep a list of all Permitted Recipients to whom Confidential Information is disclosed (in the case of its Representatives on an entity basis only).

**4.2** If the Recipient determines that it does not wish to proceed with the Proposal, the Recipient will promptly notify the Company of that decision. In that case or if the Company in its sole discretion so requests, the Recipient and each of the other Permitted Recipients will promptly: (i) destroy or return (at the Recipient's option) to the Company all Confidential Information in its possession; and (ii) destroy any note, analysis or memorandum prepared by any of the Permitted Recipients that contains

or is based upon Confidential Information. If requested, any destruction of Confidential Information will be confirmed in writing by the Recipient to the Company within 14 days of such request. The requirement for the destruction or return of Confidential Information does not apply to any Confidential Information:

- (a) stored electronically pursuant to an existing routine data back-up exercise on servers or back-up sources so long as it is deleted from local hard drives and no attempt is made to recover it from such servers or back-up sources; or
- (b) which is required to be retained for the purposes of complying with regulation or law or bona fide and existing internal compliance procedures,

so long as, in each case, it continues to be treated confidentially and in accordance with the confidentiality terms of this letter, even after the expiry of the other terms of this letter.

## **5 PERSONAL INFORMATION**

**5.1** The Recipient acknowledges that Confidential Information may include Personal Data. In relation to such Personal Data the Recipient and the other Permitted Recipients will:

- (a) comply with all relevant provisions of Data Protection Law;
- (b) on becoming aware of any accidental, unlawful or unauthorised destruction, loss, alteration, disclosure of, or access or damage to, the Personal Data or any other unauthorised or unlawful processing of the Personal Data, promptly notify the Company; and
- (c) to the extent permissible by law and as reasonably practicable, promptly notify the Company if it receives any communication: (i) which relates to a breach of Data Protection Law by any Permitted Recipient in respect of the Personal Data, or (ii) from or on behalf of any individual whose Personal Data the Recipient or any of the other Permitted Recipients processes.

## **6 NO REPRESENTATION OR WARRANTY**

**6.1** The Recipient acknowledges that neither the Company nor any of its Connected Persons makes any express or implied representation or warranty as to the accuracy or completeness of any Confidential Information, and the Recipient agrees that, save in the case of fraud, neither the Company nor any of its Connected Persons has any liability to the Recipient or any other person relating to or arising from the Recipient's or the other Permitted Recipients' use of any Confidential Information or for any errors in it or omissions from it. The Recipient is not entitled to rely on the accuracy or completeness of any Confidential Information. Nothing in this letter obliges the Company to provide any Confidential Information to the Recipient or any other Permitted Recipient.

## **7 RESTRICTIONS ON CONTACT**

**7.1** The Recipient agrees that neither it nor any of its Connected Persons will make contact, directly or indirectly with:

- (a) any current or former director or employee of any member of the Company's Group in relation to the Proposal unless expressly authorised by the Company (provided that: (i) this shall not prevent the Recipient from conveying to the board of the Company the terms on which it may be prepared to make an offer (within the meaning of the Code) for the Company; and (ii) the Company hereby consents to the continuation of the discussions

between Mr Eugene Shvidler and his Connected Persons and the Recipient only where such discussions concern the Recipient's potential acquisition of all or any part of his holding of shares in the Company and/or those of the other Selling Shareholders (as defined in the 27 July Letter)); nor

- (b) any person which the Recipient or the Permitted Recipients knows to be a customer, client, supplier or agent of any member of the Company's Group or knows to be a person which is interested directly or indirectly in any such customer, client, supplier or agent for any purpose whatsoever connected with the Confidential Information or the Proposal, in each case save with the Company's prior written approval,

provided that this shall not restrict contact with any such persons for purposes unconnected with the Proposal in the ordinary course of business.

- 7.2 The Recipient agrees that neither it nor any of its Connected Persons that is aware of the Proposal will, while discussions relating to the Proposal are continuing, visit or inspect any of the premises known by the Recipient or such Connected Person to be owned or occupied by a member of the Company's Group other than in the ordinary course of its business unconnected with the Proposal.

## 8 NON-SOLICITATION

- 8.1 The Recipient agrees that neither it nor any other member of its Group will, for a period of 12 months from the date of this letter, directly or indirectly solicit for employment or employ or engage, or attempt to solicit, employ or engage, or encourage any other person to solicit, employ or engage, any person who is:

- (a) a director of any member of the Company's Group; or
- (b) who is employed or otherwise engaged by any member of the Company's Group and who occupies a managerial or senior position,

but the Recipient shall not be restricted from employing or engaging any such person who the Recipient can show:

- (c) independently approaches the Recipient or a member of its Group without having responded to any solicitation; or
- (d) responds to a general recruitment campaign not targeted at any such persons.

- 8.2 The Recipient agrees that neither it nor any other member of its Group will, for a period of 12 months from the date of this letter, directly or indirectly:

- (a) solicit or entice away, attempt to solicit or entice away or encourage any other person to solicit or entice away any adviser, distributor, agent, supplier, client or customer of or to any member of the Company's Group; or
- (b) encourage, procure or assist, or encourage any other person to encourage, procure or assist, any adviser, distributor, agent, supplier, client or customer of or to any member of the Company's Group to restrict, vary or cease that relationship,

provided that this paragraph 8.2 shall not restrict any activity undertaken in the ordinary course of business of any member of the Recipient's Group as carried on at the date of this letter which is neither related to the Proposal nor made with the benefit of Confidential Information.

## **9 NO OBLIGATIONS ON THE COMPANY IN RELATION TO THE PROPOSAL**

**9.1** The Recipient agrees that neither the Company nor any of its Connected Persons is under any legal obligation, or shall have any liability, to the Recipient or any of its Connected Persons of any nature whatsoever with respect to the Proposal by virtue of this letter or otherwise. The Recipient also acknowledges and agrees that, subject to the Code:

- (a) the Company may conduct any process that may or may not result in a transaction being concluded in such manner as the Company in its sole discretion, may determine; and
- (b) the Company reserves the right to change (in its sole discretion, at any time and without notice to the Recipient) the procedures relating to the Company's and the Recipient's consideration of the Proposal (including, without limitation, terminating all further discussions with the Recipient and requesting that Permitted Recipients return or destroy all Confidential Information).

**9.2** Apart from the limited rights described in this letter, the Recipient confirms that neither it nor any other Permitted Recipient will be entitled to any right or licence in relation to the Confidential Information.

## **10 NO AGENCY**

The Recipient represents and warrants to the Company that the Recipient is acting as principal on its own account and not in combination with any other person and not as agent or broker for any other person. The Recipients undertake that, unless the Recipient obtain the Company's prior written consent, the Recipient will continue to act as principal on the Recipient's own account and not in combination with any other person and not as agent or broker for any other person.

## **11 INSIDER DEALING AND MARKET ABUSE**

**11.1** The Recipient acknowledges that some or all of the Confidential Information and/or the existence and/or terms of the Proposal may be unpublished price-sensitive information and/or inside information for the purposes of Part V of the Criminal Justice Act 1993 (the "CJA") and/or the EU Market Abuse Regulation (EU 596/2014) ("MAR"), and that neither it nor any of its Connected Persons should:

- (a) use such information to deal in any securities or interests in securities of the Company, encourage another person to deal in such securities or disclose such information except as permitted by the CJA and MAR before the information has been made public;
- (b) disclose any such information to another person other than in the proper course of the exercise of its employment, profession or duties; or
- (c) engage in any behaviour based on any inside information which would amount to market abuse or insider dealing for the purposes of MAR before the information has been made public.

**11.2** In relation to Confidential Information which constitutes unpublished price-sensitive information and/or inside information, the Recipient consents to being made an insider within the meaning of the CJA and MAR and shall bring to the attention of its Connected Persons the prohibitions on insider dealing and market abuse contained in the CJA and MAR.

12 [DELETED]

13 NOTICES

13.1 Any notice, claim or demand in connection with this letter shall be given: (i) in writing to the relevant party at the address stated in this letter (or, instead, such other address as it shall previously have notified to the other party); or (ii) where notice is being given to the Company, by email to Duncan Baxter (Senior Independent Director) at [REDACTED] (or such other person and email as the Company shall have notified to the Recipient), with a copy to David Avery-Gee ([REDACTED]); or (iii) where notice is being given to the Recipient, by email to Yulia Vishina email at [REDACTED] (or such other person and email as the Recipient shall have notified to the Company), with a copy to Scott Hopkins ([REDACTED]).

13.2 Any notice sent by hand shall be deemed received when delivered and any notice sent by first class post within the United Kingdom shall be deemed received 48 hours after posting and any notice sent by email shall be deemed to be received at the time of sending provided that receipt shall not occur if the sender receives an automated message that the e-mail has not been delivered to the recipient.

14 TERM

14.1 Unless otherwise specifically stated to the contrary, the obligations under this letter shall be continuing and, in particular, they shall survive the termination of any discussions or negotiations regarding the Proposal and shall terminate on the second anniversary of the date of this letter.

15 MISCELLANEOUS

15.1 The Recipient will, to the extent permitted by law, rule or regulation, notify the Company of the circumstances of any breach, or any indication that it has received of a threatened breach, of this letter as promptly as reasonably possible after becoming aware of such breach or receipt of the indication of a threatened breach.

15.2 The Recipient acknowledge that damages would not be an adequate remedy for any breach of the provisions of this letter and accordingly that each member of the Company's Group, without prejudice to any other rights and remedies they may have, will be entitled without proof of special damage to the remedies of injunction and other equitable relief for any threatened or actual breach of the provisions of this letter.

15.3 No failure by any member of the Group in exercising any right, power or privilege conferred by this letter shall constitute a waiver by that or any other person of any such right, power or privilege, nor shall any single or partial exercise of any such right, power or privilege preclude any further exercise of the same.

15.4 The benefit of this letter may not be assigned by either party without the other party's prior written consent.

15.5 This Agreement confers benefits on the Company's Connected Persons and may be enforced by such persons with the prior written consent of the Company pursuant to the Contracts (Rights of Third Parties) Act 1999. Otherwise, no person other than the parties to this letter may enforce the terms of this letter by virtue of that Act or otherwise. The parties are free to agree between them any changes to, or termination of, this letter without the consent of any other person.

15.6 This letter contains the entire agreement concerning the treatment of the Confidential Information and supersedes any prior written or oral agreements between the parties in relation to Confidential

Information. No modification or waiver of its terms can be made unless approved in writing by each of us.

- 15.7 If any provision of this letter is held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable. To the extent it is not possible to delete or modify the provision, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this letter and the legality, validity and enforceability of the remainder of this letter shall, subject to any deletion or modification made under this paragraph, not be affected.

**16 GOVERNING LAW AND JURISDICTION**

- 16.1 This letter and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law. Each of the parties irrevocably submits to the exclusive jurisdiction of the English courts in respect of any claim or dispute arising out of or relating to this letter.

- 16.2 The Recipient irrevocably agrees within 5 days of the date of this letter to appoint, and to deliver to the Company within 14 days a copy of a written acceptance of appointment by, Law Debenture Corporate Services Limited (the "**Agent**"), now of Fifth Floor, 100 Wood Street London EC2V 7EX, as its agent to accept service of process in England in any legal action or proceedings arising out of or in connection with this letter provided that:

- (a) service upon the Agent shall be deemed valid service upon the Recipient whether or not the process is forwarded to or received by the Recipient;
- (b) the Recipient shall inform the other party to this letter, in writing, of any change in the address of the Agent within 28 days of such change;
- (c) if the Agent refuses to act or ceases to be able to act as a process agent or to have an address in England, the Recipient irrevocably agrees to appoint a new process agent in England acceptable to the Company and to deliver to the Company within 14 days a copy of a written acceptance of appointment by the new process agent; and
- (d) nothing in this letter shall affect the right to serve process in any other manner permitted by law.

Please confirm the Recipient's agreement with the terms of this letter by signing and returning to us the enclosed duplicate copy.

Yours faithfully,



For and on behalf of  
**Highland Gold Mining Limited**



Accepted and agreed:

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For and on behalf of  
**Fortiana Holdings Limited**

By 

Name: Agostini Frantini

Title: Director

Date: 28 July 2020

