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Obtala Resources Limited
08 April 2013

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**Obtala Resources Limited**
**("Obtala" or the "Company")**
**(AIM: OBT)**

**Notice of General Meeting**

Obtala Resources Limited (AIM:OBT), the natural resource investment and development company, announces that, it will be posting a circular today to all shareholders enclosing a notice for a General Meeting to be held at the Company's registered office on 2 May 2013 at 11.00 am to transact the following business:

The Company is seeking shareholder approval to dispose of 100,000,000 shares it holds in Bushveld Minerals for 13 pence per share generating cash consideration of £13,000,000.

As stated in the announcement on 3 April 2013, the Company has entered into a conditional agreement ("Disposal Agreement") with Endulwini Mining Corp (Pty) Ltd ("Endulwini") relating to this disposal. Subject to the satisfaction of certain conditions, and the passing of Resolution 1, completion of the disposal is expected to take place by mid-May 2013.

**Background to and reasons for the Proposals**

On 23 February 2011 and on 7 March 2011, the Company announced it had agreed to acquire 50% interest in each of Greenhills Resources Ltd ("Greenhills") and Bushveld Resources Ltd ("Bushveld") respectively. These investments gave the Obtala Group an interest in the Mokopane Tin and Iron Ore projects, located in the northern part of South Africa. The agreements were subject to certain conditions including the re-issuance of certain licences and were completed on the 15 March 2012. The shareholdings in Bushveld and Greenhills were exchanged for shares in the capital of a new holding company for both Bushveld and Greenhills (Bushveld Minerals), and the entire issued share capital of Bushveld Minerals Ltd. was admitted to trading on the AIM market of the London Stock Exchange on 26 March 2012.

The Company held a General Meeting on 3 April 2013 at which certain resolutions were passed, including an authority for the buyback of 11,949,378 ordinary shares to be satisfied by the transfer of 30,120,482 shares in Bushveld Minerals as consideration. The buyback of the ordinary shares and the transfer of the shares in Bushveld Minerals completed on 6 April 2013 with the shares being transferred during the coming day.

Further to the Disposal Agreement, the Company is now proposing to dispose of 100,000,000 shares it holds in Bushveld Minerals at a price of 13p per share for a total consideration of £13,000,000 in cash. The Disposal Agreement is subject to certain conditions, including Endulwini receiving exchange control approval and final approval from its funding partner. If these conditions are satisfied and Resolution 1 is passed, completion of the disposal is expected to take place by 12 May 2013.

Following the buyback and the disposal referred to above, Obtala will retain an interest of 404,178 shares in Bushveld Minerals, representing a holding of 0.14% of the entire issued share capital of Bushveld Minerals. This holding is valued at £47,490 based on the closing price as at 4 April 2013.

If the Disposal Agreement does not complete as a result of any conditions not being satisfied for whatever reason, the Board would intend to seek an alternative purchaser for its remaining shareholding in Bushveld Minerals (or as much of it as it is able to agree).

It is the Board's intention that the Company should focus its resources on its self-sustainable forestry and agriculture business, Montara Continental Limited, and its diamond exploration and production business through its 45.5% holding in AIM-listed Paragon Diamonds Limited.

The proceeds from this sale will further strengthen Obtala Group's financial position and be escrowed with part of the funds used to grow and develop the agriculture projects in East Africa.

The Proposal constitutes a disposal resulting in a "fundamental change of business" under Rule 15 of the AIM Rules, and

pursuant to the AIM Rules, the Company is seeking shareholder approval for the disposal of the shares.


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