

20 September 2016

Dear Shareholder,

Notification to shareholders on parent company financial statements: Adoption of Financial Reporting Standard (FRS) 101 - Reduced Disclosure Framework

The purpose of this letter is to notify you about certain proposed changes to the information that will be disclosed in GCM Resources plc's ('GCM' or 'the Company') parent company financial statements contained in the Company's future annual report and accounts.

GCM's parent company financial statements contained in the Group's Annual Report for the year ended 30 June 2015 were prepared in accordance with UK Generally Accepted Accounting Practice ('UK GAAP'). The 2015 Annual Report can be found on the Company's website at www.gcmplc.com.

A new UK GAAP accounting framework introduced by the Financial Reporting Council ('FRC') becomes mandatorily effective for financial statements commencing on or after 1 January 2015. Under this new framework, the Company is required to elect to prepare its parent company financial statements on one of the new bases permitted by the FRC. The consolidated financial statements of the Group will continue to be prepared in accordance with EU-adopted International Financial Accounting Standards (IFRS) and are unaffected by this new accounting framework.

The Company proposes to adopt FRS 101 "Reduced Disclosure Framework" for its parent company financial statements for the year ended 30 June 2016 which will be included in the Group's annual report for 2016 and on an ongoing basis until such time as the Company notifies shareholders of any change to its chosen accounting framework for the parent company financial statements. The Company intends to take advantage of the disclosure exemptions allowed under FRS 101. Accordingly, the disclosures in the parent company financial statements prepared under FRS 101 are expected to be the same, or follow closely, those previously reported under UK GAAP.

The Company's decision to adopt FRS 101 does not require shareholder approval. However, as stipulated in FRS 101, the Company is required to notify all shareholders of this election. Any shareholder or shareholders holding in aggregate 5 per cent or more of the total allotted shares in the Company may serve an objection. Objections must be served in writing and delivered to the Company's registered office (3 Bunhill Row, London EC1Y 8YZ) not later than 14 October 2016. If shareholders have no objection to the adoption of FRS 101, no further action is required.

Yours faithfully



Datuk Michael Tang
Executive Chairman