

**THIS DOCUMENT IS IMPORTANT. PLEASE READ IT IMMEDIATELY. If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your shares in Alpha Prospects Plc, please send this document, together with the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

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## **ALPHA PROSPECTS PLC**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 05813575)*

### **Proposed Acquisition of Shares in Coleridge Resources Inc.**

**and**

### **Notice of General Meeting**

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Notice of the General Meeting of the Company to be held at 12:00 noon on 24 February 2012 at 30 Clarendon Road, 2<sup>nd</sup> Floor Suite, Watford, Hertfordshire WD17 1SJ is set out on page 8 of this document.

A Form of Proxy for use at the General Meeting is enclosed, and to be valid the Form of Proxy must be completed in accordance with the instructions set out on it and returned to Alpha Prospects Plc, 30 Clarendon Road, 2<sup>nd</sup> Floor Suite, Watford, Hertfordshire WD17 1SJ, as soon as possible, but in any event not later than 12:00 noon on 22 February 2012. The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you wish to do so. Your attention is drawn to the notes to the Form of Proxy.

Your attention is drawn to the letter from the chairman of the Company which is set out on pages 5 to 7 of this document which explains the reasons for the proposals and contains a recommendation from the Independent Directors that you vote in favour of the resolution to be proposed at the General Meeting.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	20 January 2012
Latest time and date for receipt of Form of Proxy	12:00 noon 22 February 2012
General Meeting	12:00 noon on 24 February 2012
Completion of the Acquisition	24 February 2012

*If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of a Regulatory News Service announcement. Completion of the Acquisition following the General Meeting is conditional on the passing of the Resolution at the General Meeting.*

*All references to time in this document are to London time.*

## DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context requires otherwise:

"Act"	the Companies Act 2006;
"Acquisition"	the acquisition by the Company of shares of Coleridge under the Acquisition Agreement, further details of which are contained in this document;
"Acquisition Agreement"	the conditional sale and purchase agreement dated 21 December 2011 between the Vendors (1) and the Company (2) relating to the Acquisition;
"Business Day"	a day (other than a Saturday or a Sunday) on which banks are open for general business in London;
"Coleridge"	Coleridge Resources Inc, a company incorporated in Delaware under No. 0730409;
"Company" or "Alpha"	Alpha Prospects Plc, a company registered in England and Wales with registered number 05813575;
"Completion"	completion of the Acquisition;
"Consideration"	the consideration payable by the Company to the Vendors pursuant to the Acquisition Agreement, details of which are set out in this document;
"Consideration Shares"	49,000,000 new Ordinary Shares to be issued to the Vendors under the Acquisition Agreement;
"Directors" or "Board"	the board of directors of Alpha, or as appropriate, any duly authorised committee thereof;
"Enlarged Share Capital"	the Ordinary Shares in issue immediately following the Acquisition;
"Existing Ordinary Shares"	the 134,760,024 Ordinary Shares in issue as at the date of this document;
"Form of Proxy"	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting;
"General Meeting"	the General Meeting of the Company convened by the Notice of Meeting to be held at 12:00 noon on 24 February 2012 or any adjournment of that meeting, which is being held to consider the Resolution;
"Group"	together, the Company and its subsidiaries;
"Independent Directors"	Steven Freudmann and Timothy Baldwin;
"Lunbros"	Lunbros Limited, a company incorporated in New Zealand under No. 953782;
"Notice of Meeting"	the notice convening the General Meeting appearing at the end of this document;
"Ordinary Shares"	Ordinary Shares of £0.005 each in the capital of the Company;
"PLUS Rules"	the Rules for issuers in respect of companies listed on PLUS-quoted published by PLUS Markets Group plc;
"PLUS-quoted"	the PLUS-quoted market operated by PLUS Markets Group plc, a recognised investment exchange under Section 290 of the FSMA;
"Registrars"	Share Registrars Limited;
"Resolution"	the resolution set out in the Notice of the Meeting;

"RIS"	a regulatory information service on the approved list of service providers maintained by the FSA;
"Rivington Street"	Rivington Street Corporate Finance Limited, which is authorised and regulated in the UK by the FSA and is incorporated in England and Wales with Company No. 02075091, which acts as the PLUS Corporate Adviser for the Company;
"Shareholders"	holders of the Existing Ordinary Shares;
the "Tenement"	the perpetual lease comprising the rights to mining and extraction of coal under 119 DeGroot Patents in the Hazard Coal District of Kentucky, USA;
"Vendors"	Lunbros and Mr Christopher Foster; and
"UK"	the United Kingdom of Great Britain and Northern Ireland.

## ALPHA PROSPECTS PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 05813575)

### LETTER FROM THE CHAIRMAN

*Registered Office:*

30 Clarendon Road  
2<sup>nd</sup> Floor Suite  
Watford  
Hertfordshire WD17 1SJ

*Directors:*

Steven Freudmann                      Chairman  
Christopher Foster  
Timothy Baldwin

20 January 2012

*To Shareholders*

Dear Shareholder

#### **Proposed Acquisition of Shares in Coleridge Resources Inc and Notice of General Meeting**

##### **Introduction**

The Company entered into a conditional sale and purchase agreement dated 21 December 2011 to acquire shares in Coleridge Resources Inc ("Coleridge") representing 25 per cent. of the issued shares of Coleridge. The consideration for the acquisition of the shares in Coleridge is to be satisfied by the issue of 49,000,000 Ordinary Shares of the Company at an issue price of 2p per share amounting in total to a value of £980,000. The shares of Coleridge are being sold as to 225 shares by Lunbros and as to 150 shares by Christopher Foster, a director of the Company.

The Board has convened the General Meeting to be held at 12:00 noon on 24 February 2012 at 30 Clarendon Road, 2<sup>nd</sup> Floor Suite, Watford, Hertfordshire WD17 1SJ for the purpose of Shareholders considering and, if thought fit, passing the Resolution. The Notice of Meeting, which sets out the terms of the Resolution in full, is at the end of this document.

The principal purpose of this document is to give you the details of the Acquisition, which is treated as a related party transaction in view of Christopher Foster's role as one of the Vendors, and to explain why the Independent Directors consider that the Acquisition is in the best interests of the Company and its Shareholders as a whole. As the Acquisition constitutes a substantial property transaction with a director, it is subject to the approval of shareholders at the General Meeting. The Independent Directors recommend that you vote in favour of the Resolution at the General Meeting.

##### **Background to and reasons for the Acquisition**

Coleridge is a Delaware Company that owns the rights to coal mining assets in Kentucky. These mining assets consist of the Tenement, a perpetual lease, known as the Graham Lease, of 119 DeGroot Patents carrying rights to the mining of coal resources in the Hazard Coal District in Kentucky. The Acquisition permits the Company to acquire a substantial interest in Coleridge.

The Company expects to be able to participate in the fundraising that is contemplated by Coleridge to enable it to exploit the Tenement and, by doing so to enhance the value.

The Consideration Shares are being allotted for a total consideration that is valued at £980,000, representing a value of 2p per share for the Consideration Shares. This amount corresponds to a valuation of £3,920,000 that would be attributed on a proportionate basis to the whole of the issued share capital of Coleridge. The Tenement is the only asset of Coleridge, which carries no debt or borrowings. The directors' assessment of the value of Coleridge is derived from earlier professional reports that indicate the worth of the Tenement that have been provided by Coleridge.

Following Completion of the Acquisition and the issue of the Consideration Shares to the Vendors, the total issued Ordinary Share capital of the Company will consist of 183,760,024 Ordinary Shares. Christopher Foster will hold a total of 38,500,000 Ordinary Shares, representing 21 per cent. of the issued Ordinary Shares.

The Independent Directors believe that enhanced Shareholder value can be generated through the implementation of the Company's proposed Investing Policy in the natural resources sector, including opportunities for the acquisition of interests in companies with growth prospects such as Coleridge. The Independent Directors also believe that the Company should, as a result, attract a greater level of external investor interest and enhanced value resulting in future opportunities for raising equity funds for supporting the growth of the Enlarged Group.

### **Principal Terms of the Acquisition**

Pursuant to the Acquisition Agreement, the Company has agreed to acquire part of the issued share capital of Coleridge, representing 25 per cent. of all the issued shares of Coleridge. The consideration under the Sale and Purchase Agreement is to be satisfied by the issue of 49,000,000 Ordinary Shares to the Vendors at an issue price of 2p per share, together amounting to a value of £980,000. The Acquisition Agreement is conditional inter alia upon the passing of the Resolution by no later than 28 February 2012. The Vendors have given limited warranties to the Company under the Acquisition Agreement.

Lunbros one of the Vendors, is bound by an agreement under which the remaining shareholder of Coleridge, Diathermi Investments Limited, ("Diathermi") is entitled to require that on a sale by Lunbros of shares in Coleridge, a corresponding proportion of the shares held by Diathermi are to be included in the sale. Accordingly, if Diathermi exercise this right up to 38 of the Ordinary Shares to be sold by Lunbros may be allocated instead to be sold by Diathermi under the terms of the Acquisition Agreement.

On Completion of the Acquisition Lunbros, the Company and Coleridge are to enter into a shareholders agreement in relation to their holdings of shares in Coleridge. The shareholders agreement provides that certain matters, such as the issue of further shares or the sale of the Tenement, may not be carried out without approval by the Company. In addition, the shareholders agreement imposes pre-emption restrictions, requiring a party who wishes to sell shares in Coleridge to first offer shares to the other party before being able to sell to others. Where a purchaser is to acquire more than 50 per cent. of the issued shares of Coleridge, the purchaser must offer to buy the remaining shares at the price offered for the controlling interest.

### **Related Party Transaction**

Under the PLUS Rules, the Acquisition constitutes a related party transaction between the Company and Christopher Foster a director of the Company deemed to be interested in the transaction by virtue of my role as the Vendor of shares in Coleridge. The Independent Directors for the purposes of the Acquisition consider that the terms of the Acquisition are fair and reasonable insofar as Shareholders are concerned.

## **Action to be Taken by Shareholders**

A Form of Proxy for use in connection with the General Meeting accompanies this document. The Form of Proxy should be completed in accordance with the instructions printed thereon and returned to the Company's registrars, Share Registrars Limited of Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible, but in any event so as to be received by 12:00 noon on 22 February 2012. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person, should they so wish. Shareholders who hold their Ordinary Shares through a nominee should instruct the nominee to submit the Form of Proxy on their behalf.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who are able to take the appropriate action on their behalf.

## **Documents Available for Inspection**

Copies of the Acquisition Agreement may be inspected at the Company's registered office, 30 Clarendon Road, 2<sup>nd</sup> Floor Suite, Watford, Hertfordshire WD17 1SJ, during normal business hours on Business Days from the date of this document until the time of the General Meeting and at the General Meeting venue for at least 15 minutes prior to and during the General Meeting.

## **Recommendation**

The Independent Directors for the purposes of the Acquisition (Steven Freudmann and Timothy Baldwin) consider the Acquisition to be in the best interests of the Company and its Shareholders as a whole and recommend that Shareholders vote in favour of the Resolution. Christopher Foster has taken no part in the Board's decision to recommend that Shareholders vote in favour of the Resolution in relation to the Acquisition. Christopher Foster will not be voting on the Resolutions at the General Meeting in relation to the 18,900,000 ordinary shares, in which he has beneficial interests representing 14.02% of the Company.

Yours sincerely

**Steven Freudmann**  
Chairman

**ALPHA PROSPECTS PLC**  
**(the "Company")**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 05813575)*

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a General Meeting of Alpha Prospects Plc will be held at 12:00 noon on 24 February 2012 at 30 Clarendon Road, 2<sup>nd</sup> Floor Suite, Watford, Hertfordshire WD17 1SJ (the "**Meeting**") to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company.

**ORDINARY RESOLUTION**

**THAT**, for the purpose of Section 190 of the Companies Act 2006, the Agreement dated 21 December 2011 between Lunbros Limited and Christopher Kenneth Foster (1) and the Company (2) relating to the acquisition by the Company of 375 shares of Coleridge Resources Inc, representing 25 per cent. of the issued shares of Coleridge Resources Inc, in exchange for the issue by the Company of 49,000,000 Ordinary Shares of £0.005 each at a total value of £980,000 as summarised in the circular to shareholders of the Company dated 20 January 2012 be and is hereby approved and that the directors of the Company (other than Mr Foster) be and they are hereby authorised to do all such things as they may consider to be necessary or expedient to complete the agreement in accordance with its terms.

Dated: 20 January 2012

By order of the Board

ABA Corporate Directors Limited

*Secretary*

Registered office: 30 Clarendon Road, 2<sup>nd</sup> Floor Suite, Watford, Hertfordshire WD17 1SJ

**Notes:**

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general Meeting of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy need not be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy are set out below and in the notes to the proxy form.
3. To be valid, a form of proxy and the power of attorney or other written authority, if any, under which it is signed, or an office or notarially certified copy in accordance with the Powers of Attorney Act 1971 of such power and written authority must be delivered to, Alpha Prospects Plc, 30 Clarendon Road, 2<sup>nd</sup> Floor Suite, Watford, Hertfordshire WD17 1SJ no later than 12:00 noon on 22 February 2012 (or 48 hours before the time fixed for any adjourned Meeting or in the case of a poll 48 hours before the time appointed for taking the poll at which the proxy is to attend, speak and to vote provided that in calculating such periods no account shall be taken of any part of a day that is not a working day).
4. In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, the Company specifies that only those shareholders registered on the Company's register of members at 12:00 noon on 21 February 2012 (or in the case of adjournment forty-eight hours before the time of the adjourned meeting) will be entitled to attend and vote at the meeting. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.



5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy complete and submit more than one proxy form and make it clear how many shares the proxy has voting rights over. Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by the member on the record date will result in the proxy appointment being invalid.
6. Use of the proxy form does not preclude a member attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
7. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrars of the Company, Share Registrars Limited of Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL (in the case of a member which is a company, the revocation notice must be executed in accordance with note 8 below).

Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Registrars of the Company, not less than 48 hours before the time fixed for the holding of the Meeting or any adjourned Meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote provided that in calculating such periods no account shall be taken of any part of a day that is not a working day.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

8. A corporation's form of proxy must be executed pursuant to the terms of Section 44 of the Companies Act 2006 or under the hand of a duly authorised officer or attorney.