

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

If you have sold or transferred all of your ordinary shares of 0.25p each in the capital of Athol Gold & Value Limited ("Company") ("Ordinary Shares"), please send this document, including the notice of meeting, Form of Proxy and Form of Direction as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Directors, whose names are set out on page 2 of this document and the Company, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

ATHOL GOLD & VALUE LIMITED

*(incorporated in the Cayman Islands under the Companies Law (2010 Revision)
of the Cayman Islands with registered number 141920)*

ADOPTION OF NEW INVESTING POLICY

AUTHORITY TO BUY BACK SHARES

NOTICE OF GENERAL MEETING

Your attention is drawn to the recommendation of the Board of directors of the Company which is set out in this document and which recommends that you vote in favour of the Resolutions set out in the notice of General Meeting referred to below.

This document is not for distribution outside the United Kingdom except to the extent that it would be lawful to do so. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.

Notice of a General Meeting of the Company, to be held at the offices of Welbeck Associates, 31 Harley Street, London W1G 9QS at 11.00 a.m. on 4 September 2012 ("GM"), is set out at the end of this document. To be valid, the accompanying Form of Proxy or Form of Direction, as applicable, for use in connection with the GM should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's UK transfer agent, Capita Registrars, PXS, at 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11.00 a.m. on 31 August 2012 in the case of a Form of Proxy and by not later than 11.00 a.m. on 30 August 2012 in the case of a Form of Direction.

Completion and return of a Form of Proxy will not preclude members of the Company from attending and voting at the GM should they so wish. DI Holders who wish to attend the GM should contact the depositary as per the instructions on the Form of Direction.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Jennifer Allsop (<i>Chairman</i>) Alastair Ford (<i>Chief Investment Officer</i>)
Company Secretary	Walkers SPV Limited
Registered Office	Walker House Mary Street PO Box 908GT George Town Grand Cayman Cayman Islands
Nominated adviser	Libertas Capital Corporate Finance Limited 17c Curzon Street London W1J 5HU
Brokers	XCap Securities plc 24 Cornhill London EC3V 3ND
UK Transfer Agent	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Registrars*	Capita Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT
Solicitors	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Auditors	Welbeck Associates Registered Auditor Chartered Accountants 31 Harley Street London W1G 9QS

**Note:*

For the avoidance of doubt, Shareholders should return completed and signed Forms of Proxy to the Company's Registrars. Capita Registrars at PXS, 34 Beckenham Road, Beckenham BR3 4TU and not to the address referred to above.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this document	17 August 2012
Latest time and date for receipt of completed Forms of Direction	11.00 a.m. on 30 August 2012
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 31 August 2012
General Meeting	11.00 a.m. on 4 September 2012

Notes:

1. *References to time in this document are to London time*
2. *Other than the date of this document, each of the times and dates in the above timetable are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service of the London Stock Exchange.*

PART 1

LETTER FROM THE CHAIRMAN

ATHOL GOLD & VALUE LIMITED

WALKER HOUSE – MARY STREET – PO BOX 908GT – GEORGETOWN
GRAND CAYMAN – CAYMAN ISLANDS

*(incorporated in the Cayman Islands under the Companies Law (2010 Revision)
of the Cayman Islands with registered number 141920)*

Directors

Jennifer Allsop (*Chairman*)

Alastair Ford (*Chief Investment Officer*)

17 August 2012

To: all holders of Ordinary Shares or DI Holders and, for information only, to the holders of warrants and options over Ordinary Shares.

Dear Sir or Madam

**New Investing Policy
Authority to Buy Back Shares
Notice of General Meeting**

1. Introduction

The last year has been a very traumatic one for the Company, and Shareholders have suffered a substantial decline in the value of the Company's net asset value per share. The decline has been caused by the poor performance of the Company's investment portfolio, and poor investment decisions.

In particular, the decision made in October last year to broaden the investing policy by acquiring investments and investment portfolios in exchange for new Shares in Athol has proved to be an expensive mistake.

The Board has therefore decided to take urgent action to address the poor performance over the last year, and I am therefore setting out the new strategy for the Company. The new strategy involves a material change in investing policy, which under AIM Rules for Companies requires approval by Shareholders at a general meeting.

The purpose of this document is to provide you with information on the proposed new strategy and the New Investing Policy. It also explains why the Board considers these proposals to be in the best interests of the Company and its Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their own interests, which represent 0.23 per cent. of the issued share capital of the Company.

2. Recent Developments

As announced on 29 June 2012, the previous investment manager has resigned and has been replaced by Alastair Ford, who has joined the Board as Chief Investment Officer and Executive Director.

On 19 June 2012, the Company announced that it decided not to proceed with the acquisition of Oilbarrel.com Limited from Rivington Street Holdings plc ("RSH"). RSH is due to repay the £575,000 deposit not later than 18 September 2012. The deposit has not yet been returned to Athol, however the Directors have no reason to believe that the deposit will not be repaid in full.

3. New strategy

The current Athol portfolio is a mixture of legacy assets brought in by the previous manager, and has very little coherence. The aim now will be to rationalise this portfolio, and to provide it with greater focus. To that end, the resources sector will remain the main area of interest, although the Company may also look to invest in the energy sector. Peripheral and legacy assets will be sold off where opportunity arises and for the best available prices.

As part of this process, the Board is exploring the possibility of exchanging the majority of the current portfolio for units in three funds managed by Webb Capital: Elite t1ps Smaller Companies Income and Growth Fund; SF Webb Capital Smaller Companies Growth Fund and the SF Webb Capital Smaller Companies Gold Fund. The Webb Capital Funds have many investments in common with Athol, and the combining of the portfolios will allow for greater leverage when it comes to realising the best possible value from those investments. To this end, the Company is seeking to amend its investing policy so that, inter alia, it can hold units in open ended investment companies.

It should be noted that the Webb Capital Funds hold a 23 per cent stake in Athol. Any transaction with Webb Capital is therefore likely to be considered to be a related party transaction under AIM Rules for Companies. A further announcement will be made if an agreement with Webb Capital is reached.

In addition, Athol expects to receive the full amount of the funds owed to it following the aborted transaction with RSH earlier in the year. This money, which amounts to £575,000 plus interest at five per cent per annum, together with existing cash balances, will form the basis of the Company's investing capital in the immediate future.

The Board believes that the mining and energy markets currently offer significant value to the experienced investor. Into the core of the portfolio will come bigger, good quality mid-tier companies that still offer upside, but which also offer safety and demonstrable track records, while the search for more speculative, and greater upside will also continue.

Precious metals will remain the focus, but the Company will also look to take advantage of the growing activity levels in the energy sectors, specifically oil and gas and uranium. It is the belief of the Board that the energy sector will be relatively vibrant over the course of the next six to twelve months, while activity in other areas in resources, say platinum, will be muted.

But special situations abound. In particular the Company will seek to take advantage of the traditional re-rating afforded to companies as they transition from exploration into production. The re-rating likely to be enjoyed by such companies will be even more pronounced, given the recent market weakness.

There are numerous companies with very experienced management teams and high quality assets that have been oversold. But the market is likely to discount companies with projects that will require high levels of capital for some time. To that end, investment in earlier stage companies will not be the main focus.

The Company also intends to make market purchases to buy in the Company's Shares whenever the Directors consider it prudent to so.

The Company will no longer seek to acquire investments and investment portfolios in exchange for new Shares in Athol that do not fall with the natural resources and energy sectors.

It is the intention of the Company to appoint a new non-executive director shortly.

4. New Investing Policy

The Company's proposed New Investing Policy is to invest in the natural resources sector, with a particular focus on precious metals such as gold and silver, as well as base metals, oil and gas and uranium.

Investments will be made in quoted shares, units in open ended investment companies, exchange traded funds and unquoted investments. The aim of Athol is to be a passive investor and it will not be seeking to gain control of any investee company. It intends to buy shares which it considers to be fundamentally undervalued and offer scope for material returns for shareholders within 5 years.

There will be no geographic, sectoral or company specific concentration restrictions or limit on the number of investments made. The key strategy is long only, ungeared, value investing with an objective of continuing to deliver market beating growth in its NAV per Ordinary Share.

Returns to shareholders are expected to be by way of growth in the value of the Company's Ordinary Shares. It is the Board's current intention to hold investments for the long term.

The Company may also from time to time make market purchases to buy in the Company's Shares if the Directors consider this to be in the interests of Shareholders as a whole.

The Company will publish a quarterly update on its NAV.

5. General Meeting

A notice of GM is set out at the end of this document convening the GM to be held at the offices of Welbeck Associates, 31 Harley Street, London W1G 9QS at 11.00 a.m. on 4 September 2012 at which the following Resolutions will be proposed:

Resolution 1: to approve by ordinary resolution the adoption of the New Investing Policy, and

Resolution 2: to grant authority to Directors to make market purchases of Shares in the Company

6. Action to be taken

A Form of Proxy and a Form of Direction are enclosed for use, as applicable, in connection with the GM. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the Form of Proxy or Form of Direction, as applicable, to the Company's UK transfer agent, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive not later than 11.00 a.m. on 31 August 2012 in the case of a Form of Proxy and not later than 11.00 a.m. on 30 August 2012 in the case of Form of Direction. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you subsequently wish to do so.

7. Recommendation

The Board considers the Resolutions to be in the best interests of the Company and its Shareholders as a whole and recommends that Shareholders vote in favour of the Resolutions.

Yours faithfully

Jennifer Allsop
Chairman

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Act”	Companies Law (2010 Revision), as amended
“AIM”	a market of the London Stock Exchange
“AIM Rules for Companies”	the rules for AIM companies issued by the London Stock Exchange (as amended from time to time)
“Board” or “Directors”	the directors of the Company, whose names are set out on page 2 of this document
“Business Days”	a day (other than a Saturday, Sunday or public holiday) on which the banks in the City of London are open for normal banking business
“Company”	Athol Gold & Value Limited, a company incorporated in the Cayman Islands under the Companies Law (2010 Revision) of the Cayman Islands with registered number 141920
“CREST”	the computerised settlement system (as defined in the CREST Regulations) in the UK operated by Euroclear which facilitates the transfer of title to shares in uncertificated form (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001
“DI Holders”	Holders of depositary interests in the Company
“Euroclear”	Euroclear UK & Ireland Limited
“Form of Proxy”	the form of proxy which is enclosed with this document for use by Shareholders in connection with the General Meeting
“Form of Direction”	the form of direction which is enclosed with this document for use by DI Holders in connection with the General Meeting
“General Meeting” or “GM”	the general meeting of the Company to be held at 11.00 a.m. on 4 September 2012, notice of which is attached to this document
“Group”	the Company and its Subsidiaries from time to time
“New Investing Policy”	The new investing policy to be adopted by the Company as set out in this document, subject to the passing of the resolution
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	Ordinary shares of 0.25p each in the capital of the Company
“Resolutions”	the Resolutions to be proposed at the GM
“RNS”	the regulatory news service operated by the London Stock Exchange

“Shareholders”	the holders of Ordinary Shares of the Company
“Sterling” or “£”	the legal currency of the UK
“UK”	the United Kingdom of Great Britain and Northern Ireland
“Webb Capital”	Webb Capital Asset Management Limited
“Webb Capital Funds”	Elite t1ps Smaller Companies Income and Growth Fund, SF Webb Capital Smaller Companies Growth Fund and the SF Webb Capital Smaller Companies Gold Fund, all of which are managed by Webb Capital

PART 2

NOTICE OF GENERAL MEETING

ATHOL GOLD & VALUE LIMITED

*(incorporated in the Cayman Islands under the Companies Law (2010 Revision)
of the Cayman Islands with registered number 141920)*

(“Company”)

Notice is given that a general meeting of the members of the Company will be held at the offices of Welbeck Associates, 31 Harley Street, London W1G 9QS at 11.00 a.m. on 4 September 2012 for the purposes of considering and, if thought fit, passing the following resolutions:

Ordinary resolutions

1. That the proposal to change the Company’s investing policy to that set out in the circular to shareholders dated 17 August 2012 be approved and that the directors of the Company be authorised to take all such steps as any of them may consider necessary or desirable to implement the investing policy.
2. That the Company be generally and unconditionally authorised to make market purchases of ordinary shares of 0.25 pence each provided that:
 - 2.1 The maximum aggregate number of ordinary shares that may be purchased is 113,814,073;
 - 2.2 The maximum price (excluding expenses) which may be paid for each ordinary share is the higher of:
 - 2.2.1 105 per cent of the average market value of an ordinary share in the Company for the five business days prior to the day the purchase is made; and
 - 2.2.2 the value of an ordinary share calculated on the basis of the higher of the price quoted for:
 - 2.2.2.1 the last independent trade of; and
 - 2.2.2.2 the highest current bid for,

any number of the Company’s ordinary shares on the trading venue where the purchase is carried out.
 - 2.3 The authority conferred by this resolution shall expire 15 months after the date of passing of this resolution or, if earlier, at the conclusion of the Company’s next annual general meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of this authority.

By order of the board:

Walkers SPV Limited
Company Secretary

Registered office:

Walker House, Mary Street, PO Box 908GT,
George Town, Grand Cayman, Cayman Islands

Date: 16 August 2012

Notes:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, vote in his place. A proxy need not be a member of the Company.
2. To be effective, a completed and signed proxy (and any power of attorney or other authority under which it is signed) must be delivered to the Company's UK transfer agent, Capita Registrars, PXS, at 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 48 hours (excluding weekends) before the time fixed for the meeting or any adjourned meeting. You may also deliver by hand to Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU during normal business hours.
3. Completion of a Form of Proxy will not prevent a member from attending and voting in person.
4. Members will be entitled to attend and vote at the meeting if they are registered on the Company's register of members 48 hours before the time appointed for the meeting or any adjourned meeting.
5. In the case of joint holders of shares in the Company, the vote of the senior holder shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names appear in the company's register of shareholders (or the company's registrars' records).
6. In the case of holders of depositary interests representing ordinary shares in the capital of the Company, a Form of Direction must be completed in order to instruct Capita IRG Trustees Limited, the depositary, to vote on the holder's behalf at the meeting, or if the meeting is adjourned, at any adjourned meeting. To be effective, a completed and signed Form of Direction must be delivered to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 72 hours (excluding weekends) before the time fixed for the meeting or any adjourned meeting.
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). 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 will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 11.00 a.m 30 August 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

