

Falkland Islands Holdings PLC  
09 November 2004

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Falkland Gold and Minerals Limited

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Falkland Islands Holdings plc ('FIH') has a 21.9% interest in Falkland Gold and Minerals Ltd. ('FGML') which made the following announcement today:

'Falkland Gold and Minerals Limited ('FGML'), an exploration company, announces that it intends to implement a placing and offer for subscription to raise up to £8m and to apply for the admission of its shares to trading on AIM.

FGML was incorporated in February 2004 and has begun an exploration programme for gold and other minerals in the Falkland Islands. FGML holds the only licence to explore for gold and minerals, giving it exclusive exploration rights to substantially all of the onshore land mass of the Falkland Islands, covering approximately 12,000 km<sup>2</sup>. The licence, currently valid to January 2007, will be extended by the Falkland Islands Government to July 2009 on admission to AIM.

The money raised will be used to undertake further stages of its exploration programme.

FGML has recently expanded its board and announces the appointments of Richard Linnell, as executive Chairman, Mark Fresson as executive Finance Director and Dr Robert Weinberg as a non-executive Director.

Commenting on the flotation and new appointments, David Hudd, non-executive Deputy Chairman of FGML, said:

'We look forward to the start of our drilling programme, which we intend to fund through the proceeds of the placing and public offer.

Our new directors bring additional experience to FGML, and we all look forward to the next stage of the company's development.'

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High resolution images are available for the media to view and download free of charge from  
[www.vismedia.co.uk](http://www.vismedia.co.uk)

Copies of the prospectus will, when published, be available for collection from the offices of WH Ireland Limited, Cannongate House, 62-64 Cannon Street, London EC4N 6AE and eligible prospective investors can register online at [www.fgml.co.uk](http://www.fgml.co.uk) to receive a prospectus when published.

## BACKGROUND INFORMATION

### BOARD OF DIRECTORS

Richard Linnell, executive Chairman, aged 60

Richard has been active in the resources sector for thirty years with considerable experience in the developing and marketing of resources and commodities. Richard has acted in management roles at Murray and Roberts Construction Group and Samancor, a joint venture between Billiton plc and Anglo American Corporation. He previously was responsible for Billiton PLC's exploration and development activities throughout Africa. He is a non-executive Chairman of Golden Valley Mines and GMA Resources Plc.

Mark Fresson, executive Finance Director, aged 40

Mark qualified as a chartered accountant and then spent 10 years in a variety of tax related roles, within companies such as the Virgin Group and Allied Domecq. He subsequently joined Nomura as Head of Tax and Accounting in their Principal Finance Group before leaving to join Terra Firma Capital Partners.

David Hudd, non-executive deputy Chairman, aged 59

David Hudd, a chartered accountant, was a partner in Price Waterhouse until 1982. Since then he has been chairman or chief executive of a number of listed companies, including, from 1992 to April 1998, Vardon plc, now Cannons Group PLC, a company he founded. He is currently executive chairman of Falkland Islands Holdings plc, non-executive chairman of API Group plc, non-executive director of Paramount plc, QA plc and Falkland Oil and Gas Limited.

Peter Bojtos, non-executive Director, aged 55

Peter is a professional engineer with over 32 years of experience in the mining industry. Peter has worked in a number of senior positions, including president and chief executive officer of Consolidated Nevada Goldfields Corporation, and chairman and chief executive officer of Greenstone Resources Limited. Since 1995, Peter has been a director of several mining and exploration companies, including Birim Goldfields Inc, Desert Sun Mining Corp, Queenstake Resources Ltd, US Gold Corp, Vaaldiam Resources Ltd and William Resources Inc.

Dr Robert Weinberg, non-executive Director, aged 57

Robert was until recently managing director of Institutional Investment at the World Gold Council and has more than 30 years of international mining industry experience. He was marketing manager of the Gold & Uranium Division of Anglo American Corporation of South Africa, a director of both Deutsche Bank and SG Warburg, and previously head of the international mining department at James Capel and Co.

### OPERATIONS MANAGER

Derek Reeves, Operations Manager, aged 40

Derek has worked on the exploration of FGML's licence area since 1999 including a 2 year period where he resided in the Falkland Islands. Derek will be based in the Falkland Islands and his responsibilities are to supervise and manage FGML's exploration programme following admission to AIM. Derek has had a 21 year career in the mining and exploration business, including positions as senior geologist with Argyle Diamond Mines, a director of Falkland Island Mineral Development, technical director of Dampier Oil, underground geologist of North Kalgurli Mines and a manager of business development with Global Petroleum. In addition he has acted as a consultant to a number of diamond and gold exploration companies, managing their exploration programmes.'

The issue of this announcement has been approved by the board of FIH. The Directors of FIH are the persons responsible for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the directors of FIH accepts responsibility accordingly.

This announcement has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Dawnay, Day Corporate Finance Limited ('Dawnay Day'). Dawnay Day, which is regulated by the Financial Services Authority, is acting for FIH and no-one else and will not be responsible to anyone other than FIH for providing the protections afforded to customers of Dawnay Day.

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