

3 March 2016

3Legs Resources plc
(“3Legs” or “the Company”)

Acquisition of SalvaRx Limited

Change of name to SalvaRx Group PLC

Placing to raise £1.95 million

Share consolidation

Admission of Enlarged Share Capital to trading on AIM

and

Notice of General Meeting

Further to the announcement of 4 November 2015, the Company is pleased to announce that it has conditionally agreed to acquire the issued share capital not already owned by it in SalvaRx Limited (“SalvaRx”) for consideration of £8.8 million to be satisfied by the issue of New Ordinary Shares at 35.5p per share (following a 100:1 share consolidation). The Company has also raised £1.95 million (before expenses) by means of a Placing of New Ordinary Shares at 35.5p per share in order to fund the Enlarged Group’s further development, including its working capital needs, as well as the costs associated with the Proposals.

Highlights

- SalvaRx operates in the field of cancer immunotherapy and its strategy is to identify, develop and finance further novel therapeutics that stimulate the immune system to fight cancer;
- SalvaRx owns 60.49 per cent. of iOx, a company which is developing under licence a series of compounds for cancer immunotherapy;
- SalvaRx’s ownership of iOx gives the Company exposure to the fast-growing cancer immunotherapy market;
- iOx is focused on developing its pipeline of anti-cancer treatments based on invariant natural killer T cells and has a clinical trial sponsorship agreement with Oxford University who will conduct fund, or arrange funding for, the first Phase I/II in human trial;
- SalvaRx has a highly experienced management team who between them have a track record of developing novel drugs in cancer immunotherapy; and
- SalvaRx is actively screening acquisitions and investments in cancer immunotherapy and complementary areas of oncology.

Richard Armstrong, Non-Executive Chairman of 3Legs commented:

“We are very pleased to have agreed the acquisition of SalvaRx, subject to shareholder approval. The business has a strong and experienced management team in the cancer immunotherapy sector which is an exciting and fast growing market.”

Ian Walters, CEO of SalvaRx commented:

“Joining AIM is a major step forward for SalvaRx and allows us to fund the iOx business through to its first in human trials sponsored by Oxford University. The listing will also raise our profile as we seek to build our immunotherapy business via further acquisitions and investment opportunities.

“The iOx scientists have developed significant insights into the role of natural killer T cells in stimulating a tumour specific immune response. We believe the compounds being developed by iOx could represent a major development in cancer treatment, especially when combined with existing immuno-oncology agents, with the hope of improving the care for many different types of cancer patients.”

The Acquisition is of sufficient size to constitute a reverse takeover under the AIM Rules and is therefore subject to the approval of Independent Shareholders in General Meeting.

Trading on AIM in the Existing Ordinary Shares has been suspended since 4 November 2015 due to the Company not having completed an acquisition which constitutes a reverse takeover under the AIM Rules or otherwise having implemented its investing policy within 12 months of becoming an investing company. The suspension will remain in place pending the outcome of the General Meeting.

A circular, comprising an admission document ("Admission Document") and a notice of general meeting, will be posted to Shareholders today. Defined terms in this announcement have the same meaning as those in the Admission Document.

A copy of the circular may be downloaded from the Company's website at www.3legsresources.com

Enquiries

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Introduction

On 4 November 2015, the Company announced that it had signed non-binding heads of terms in connection with the proposed acquisition of the issued share capital not already owned by it in SalvaRx, a company in which it had acquired an 11.14 per cent. shareholding as announced on 30 September 2015. The Company announced earlier today that it has conditionally agreed to acquire the issued share capital not already owned by it in SalvaRx for an aggregate consideration of £8.8 million to be satisfied by the issue to the Vendors of the Consideration Shares. SalvaRx owns 60.49 per cent. of iOx, a company incorporated in February 2015, which is developing under licence a series of cell agonists for cancer immunotherapy. These compounds activate iNKT cells which preclinical testing in several cancer models suggests can inhibit the growth of tumours. iOx has a clinical trial sponsorship agreement with Oxford University to conduct and fund (or arrange funding for) the first in human Phase I/II clinical trial for iOx's lead compound. SalvaRx has a strong management team with considerable experience in the field of cancer immunotherapy and its strategy is to identify, develop and finance further novel therapeutics that stimulate the immune system to fight cancer.

The Acquisition is of sufficient size to constitute a reverse takeover under the AIM Rules and is therefore subject to the approval of Shareholders at the General Meeting.

In order to fund the Enlarged Group's further development, including its working capital needs, as well as the costs associated with the Proposals, the Company has also today announced the Placing.

Following implementation of the Proposals, the Vendors, who are deemed to be acting in concert for the purposes of the Takeover Code, will hold, together with certain other Existing Shareholders who are deemed to be acting in concert with them, 26,640,582 New Ordinary Shares, representing 73.05 per cent. of the Enlarged Share Capital. Under Rule 9 of the Takeover Code, the Concert Party would normally be obliged to make a mandatory offer to all shareholders (other than the Concert 15 Party) to acquire their New Ordinary Shares. Following an application by the Company, the Takeover Panel has agreed to waive this obligation, subject to the approval of Independent Shareholders on a poll at the General Meeting.

Should the Acquisition be approved by Shareholders and the Waiver Resolution approved by Independent Shareholders (being the Existing Shareholders other than the members of the Concert Party, which includes Jim Mellon and Dr Greg Bailey who own all the shares in SalvaRx not already owned by the Company), the Board is proposing to change the Company's name to SalvaRx Group PLC to reflect the Company's new underlying business.

The Board is also proposing the Share Consolidation as it considers that it is in the best interests of the Company's long term development as a public quoted company to have a lower number of shares in issue and for the Existing or the New Ordinary Shares to be traded in pence rather than fractions of a penny.

If the Resolutions are approved, it is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence on AIM on 22 March 2016.

BACKGROUND ON THE COMPANY

The Company listed on AIM in June 2011 having raised £62.5m before expenses in order to focus on the exploration and development of unconventional oil and gas resources in Europe. However, in view of the disappointing results, the then board of directors of the Company announced in September 2014 that it had concluded that it could not justify further investment in its concessions.

After considering a number of options, the then board of directors of the Company decided to propose the return of the Company's remaining cash resources to Shareholders in conjunction with a placing to raise £0.8m at 0.232p per Existing Ordinary Share and the adoption of an investing policy to invest in and/or acquire companies within the technology or resources sectors. These proposals were approved at a meeting of Shareholders held on 13 February 2015. As part of these arrangements, the existing directors resigned (other than Alex Fraser who subsequently stepped down) and Colin Weinberg and Richard Armstrong joined the board of directors.

In early June 2015, Jim Mellon and Dr Greg Bailey together invested, directly and indirectly, an aggregate of £500,000 at a price of 0.27p per Existing Ordinary Share for 185,185,185 Existing Ordinary Shares in the Company (representing 29.9 per cent. of the enlarged share capital) and joined the board of directors. Jim and Greg have a successful track record in identifying investments in life sciences and related sectors. To enable the Company to take

advantage of their expertise and contacts, Shareholders approved at the Annual General Meeting on 31 July 2015 a change in the Company's investing policy to focus on investments in life sciences and related technologies.

The Company announced on 30 September 2015 that it had invested £215,000 to acquire an 11.14 per cent. interest in SalvaRx, a company owned by Jim Mellon and Dr Greg Bailey. This investment was in accordance with the Company's new investing policy and provided the Company with exposure to the fast-growing cancer immunotherapy market.

BACKGROUND ON SALVARX

SalvaRx was incorporated on 6 May 2015 in the British Virgin Islands. Save for its 60.49 per cent. interest in iOx, SalvaRx has no material assets and, save for its subscription commitments in relation to its investment in iOx, it also has no material liabilities. On a fully diluted basis (if all share options and/or warrants are allocated and granted and vest), SalvaRx's interest in iOx would comprise 52.9 per cent. of the enlarged issued share capital of iOx.

As at the date of this document, SalvaRx has in aggregate invested £510,000 in iOx under the terms of the iOx Investment Agreement and is committed to invest a further £1,327,560 subject to the achievement of certain milestones.

Jim Mellon and Dr Greg Bailey are the sole directors of SalvaRx, which is administered on a day-to-day basis by Drs Ian Walters and Robert Kramer. Ian Walters holds the role of Chief Executive Officer of SalvaRx and, on Admission, will be appointed as the Company's Chief Executive Officer. Robert Kramer holds the role of Chief Scientific Officer of SalvaRx.

REASONS FOR THE ACQUISITION

The Company's stated strategy is to seek investment in a business in the life sciences and related sectors with, amongst other characteristics, a strong management team, good growth opportunities, a significant potential market opportunity and the ability to generate strong cash flows in the future. The Directors believe that in SalvaRx they have identified a business that meets these criteria.

The Directors consider that the opportunity represented by the Acquisition is in the best interests of the Company and Shareholders for the following reasons:

- SalvaRx's ownership of iOx gives the Company exposure to the fast-growing cancer immunotherapy market;
- iOx is focused on developing its pipeline of anti-cancer treatments based on iNKT cells and has a clinical trial sponsorship agreement with Oxford University who will conduct fund, or arrange funding for, the first Phase I/II in human trial;
- SalvaRx has a highly experienced management team who between them have a track record of developing novel drugs in cancer immunotherapy; and
- SalvaRx is actively screening acquisitions and investments in cancer immunotherapy and complementary areas of oncology.

BOARD CHANGES

On Admission, it is proposed that Jim Mellon replaces Richard Armstrong as Non-Executive Chairman (with Richard Armstrong continuing as a non-executive director of the Company) and that Dr Ian Walters and Kam Shah be appointed as directors of the Company.

OPTIONS

Prior to 13 February 2015, when Shareholders approved the adoption of an investing policy, the Company operated two share option plans (the “2007 Plan” and the “2009 Plan”) and a long-term incentive plan (the “2011 LTIP”). All options granted under the 2007 Plan and the 2009 Plan, and all awards under the 2011 LTIP have now lapsed. From 13 February 2015, the Company did not operate a formal stock option scheme, however certain Options over Existing Ordinary Shares were granted to the Directors and Catalyst Corporate Consultants Limited on an ad hoc basis pursuant to individual option agreements (the “Non-Plan Options”). As at 2 March 2016, the Company had granted Non-Plan Options over 8,623,051 Existing Ordinary Shares under individual option agreements to each of Richard Armstrong and Colin Weinberg, Non-Plan Options over 8,623,053 Existing Ordinary Shares under individual option agreements to each of Jim Mellon and Dr Greg Bailey and Non-Plan Options over 8,623,053 Existing Ordinary Shares to Catalyst Corporate Consultants Limited. The Non-Plan Options are exercisable at 0.232p per Existing Ordinary Share at any time up to 16 February 2021 subject to a condition that no Non-Plan Option be exercised if such exercise would trigger a requirement to make an offer under Rule 9 of the Takeover Code.

As a result of the proposed Share Consolidation, the exercise price of all of the Non-Plan Options will rebase to 23.2p per New Ordinary Share and the number of New Ordinary Shares over which the Non-Plan Options are exercisable will reduce accordingly.

On 2 March 2016, the Board adopted the Plan which is administered by the Board. Participation in the Plan is limited to employees and certain consultants of the Company. Options granted to non-employees (consultants and directors) will be by way of a sub-plan, governed by the same rules as the Plan mutatis mutandis unless the context otherwise provides. On 2 March 2016, the Board granted, conditional on Admission, a total of 2,144,114 Plan Options to the Management and Consultant Optionholders, 182,333 Plan Options to Catalyst Corporate Consultants Limited and 91,166 Plan Options to each of Richard Armstrong and Colin Weinberg. The Plan Options are exercisable at 35.5p per New Ordinary Share.

Northland Capital considers that the Plan and the grant of the Plan Options to Richard Armstrong and Colin Weinberg are fair and reasonable and in the best interests of Shareholders and the Company as a whole. In arriving at its opinion, Northland Capital has taken account of the Directors’ commercial assessments.

On 16 February 2015, the Company granted Northland Capital an option over 4,311,526 Existing Ordinary Shares exercisable at any time at 0.232p per share expiring on the third anniversary of the date of grant. In part consideration for its services in connection with the Placing, Northland Capital has been granted an option to acquire up to 182,333 New Ordinary Shares exercisable at any time prior to the fifth anniversary of Admission at 71p per New Ordinary Share. Subject to Admission, Northland Capital will therefore hold options

over 225,448 New Ordinary Shares (representing 0.62 per cent. of the Enlarged Share Capital).

RULE 9 WAIVER

The proposed issue of the Consideration Shares gives rise to certain considerations under the Takeover Code, which applies to the Company and which governs, inter alia, transactions which may result in a change of control of a company to which the Takeover Code applies.

Under Rule 9 of the Takeover Code, any person that acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which (taken together with any shares in which he is already interested or in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order that the Acquisition does not trigger an obligation on the part of Concert Party to make a general offer to Independent Shareholders. The Panel has agreed, subject to the Waiver Resolution being passed on a poll of Independent Shareholders at the General Meeting, to waive the requirement which might otherwise arise as a result of the Acquisition for the members of the Concert Party to make a general offer to Independent Shareholders.

For further details please refer to the Admission Document.

CHANGE OF NAME AND WEBSITE ADDRESS

Subject to the passing of the Resolutions, it is proposed to change the Company's name to SalvaRx Group Plc by resolution of the Board in accordance with the power conferred by the IoM 2006 Act.

Upon the change of name being registered at the Isle of Man Companies Registry, the Company's AIM symbol will be changed to SALV. The Company's website address will be changed to www.salvarx.io following the General Meeting.

SHARE CONSOLIDATION

The Directors propose that, subject to Shareholder approval of Resolution 3 as set out in the Notice, every 100 Existing Ordinary Shares of 0.025p each be consolidated into 1 New Ordinary Share of 2.5p each. Fractions of New Ordinary Shares arising on the Share Consolidation will be aggregated and sold in the market for the benefit of the Company. Shareholders holding less than 100 Existing Ordinary Shares on the Record Date will therefore be consolidated off the register with no compensation. The Directors and the Proposed Directors believe that such a consequence is in the best interests of the Company and is not capable of being avoided (other than at disproportionate cost and expense to the Company). Other than in respect of the change in the par value, the rights attaching to the New Ordinary Shares will be identical to the rights attaching to the Existing Ordinary Shares.

Following the Share Consolidation, replacement share certificates will be despatched by first class post at the risk of the Shareholder in respect of the New Ordinary Shares which are to

be held in certificated form. These new share certificates are expected to be despatched by 5 April 2016. Share certificates dated on or before the Record Date should be destroyed as they will cease to be valid. In relation to Existing Ordinary Shares which are held in uncertificated form, CREST accounts are expected to be credited with the newly denominated New Ordinary Shares on 22 March 2016.

AMENDMENT TO ARTICLES OF ASSOCIATION

As a result of, but conditional upon, approval of the Share Consolidation by Shareholders at the General Meeting, the Directors propose that, subject to Shareholder approval of Resolution 6 set out in the Notice, the Articles be amended to, among other matters, reflect the revised par value of each New Ordinary Share and the increase to the amount of share capital available to issue.

LOCK-IN AND ORDERLY MARKET AGREEMENTS

Lock-in and orderly market agreements have been entered into by the Locked-in Persons who, on Admission, will hold in aggregate 26,748,340 New Ordinary Shares (representing 73.35 per cent. of the Enlarged Share Capital).

The Locked-in Persons have entered into agreements pursuant to which they have each agreed with the Company and Northland Capital that for the period of 12 months following Admission they will not (without prior written consent of the Company and Northland Capital) dispose of any interest in New Ordinary Shares except in certain specified circumstances. They have also agreed that, for a further 12 months following the expiry of the initial 12 month period, they will only dispose of any interest in New Ordinary Shares through Northland Capital (or the Company's broker at the relevant time if it is not Northland Capital) and in such manner as Northland Capital (or such other broker) may reasonably require with a view to the maintenance of an orderly market in the New Ordinary Shares.

RELATIONSHIP AGREEMENT

On Admission, Jim Mellon (and his related parties) and Dr Greg Bailey will together be interested in 26,640,582 New Ordinary Shares, representing approximately 73.05 per cent. of the Enlarged Share Capital.

The Independent Directors and the Proposed Directors are satisfied that the Company is capable of carrying on its business independently of Jim Mellon and Dr Greg Bailey and that all transactions and relationships between them and the Company are and will continue to be at arm's length and on normal commercial terms.

To seek to ensure that Shareholders are adequately and additionally protected in this regard and generally in relation to the size of Jim Mellon's (and his related parties) and Dr Greg Bailey's aggregate shareholding in the Company following Admission, the Company and Northland Capital have entered into the Relationship Agreement with Jim Mellon, Dr Greg Bailey and Jim Mellon's related parties, being Galloway Limited and Port Erin Biopharma Investments Limited.

Pursuant to the Relationship Agreement, Jim Mellon (and his related parties) and Dr Greg Bailey have given certain undertakings to the Company and Northland Capital to ensure that the New Board and the Company can operate on an independent basis.

In addition, Jim Mellon and Dr Greg Bailey have provided an undertaking to the Company, effective for a period of one year following Admission, to use all reasonable endeavours to notify the Independent Directors to the extent they are aware of an opportunity to invest in or acquire a company or asset involved in the development of antibodies and other compounds applicable to immunotherapy treatments in the oncology sector (in circumstances that would result in the Company holding more than 20 per cent. of the issued share capital of the target company or asset). Where the opportunity is capable of exploitation equally by the other parties to the Relationship Agreement, the Company is granted a right of first refusal in respect thereof. The Company will be deemed to have declined the opportunity if it does not notify Jim Mellon and Dr Greg Bailey within six weeks of first being notified.

RELATED PARTY TRANSACTIONS

The proposed Acquisition is a related party transaction under the AIM Rules. The Vendors (Jim Mellon and Dr Greg Bailey), each of whom is a Director and substantial shareholder in the Company, are classified as related parties for the purposes of Rule 13 of the AIM Rules and are not deemed independent for the purposes of providing the fair and reasonable opinion required thereunder. The Independent Directors, having consulted with Northland Capital, the Company's nominated adviser, consider that the terms of the Acquisition Agreement are fair and reasonable insofar as Shareholders are concerned.

IRREVOCABLE UNDERTAKINGS

The Independent Directors have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 10,775,862 Existing Ordinary Shares, representing approximately 1.74 per cent. of the Existing Ordinary Shares.

Jim Mellon and Dr Greg Bailey, each of whom is a Director, and Port Erin Biopharma Investments Limited have given irrevocable undertakings to the Company to vote in favour of the Resolutions, save for the Waiver Resolution, to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 185,185,185 Existing Ordinary Shares, representing approximately 29.94 per cent. of the Existing Ordinary Shares.

In addition, certain other Shareholders have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their holdings totalling, in aggregate 125,000,002 Existing Ordinary Shares, representing approximately 20.21 per cent. of the Existing Ordinary Shares.

In total, therefore, the Company has received irrevocable undertakings to vote in favour of:

1. the Waiver Resolution in respect of holdings totalling, in aggregate, 135,775,864 Existing Ordinary Shares, representing 31.33 per cent. of the Existing Ordinary Shares entitled to vote thereon; and

2. all other Resolutions (excluding the Waiver Resolution) in respect of holdings totalling, in aggregate, 320,961,049 Existing Ordinary Shares, representing 51.89 per cent. of the Existing Ordinary Shares.

GENERAL MEETING

Set out at the end of this document is a notice convening the General Meeting to be held at 11.00 a.m. on 21 March 2016 at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man IM1 2LX at which the Resolutions will be proposed to approve:

1. the Acquisition;
2. the Rule 9 Waiver;
3. the Share Consolidation;
4. the appointment of Ian Walters as a director of the Company;
5. the appointment of Kam Shah as a director of the Company;
6. certain amendments to the Articles (including an increase to the amount of share capital available to issue); and
7. the disapplication of article 5.2 of the Articles to enable the New Board to allot New Ordinary Shares for cash other than on a pre-emptive basis.

RECOMMENDATION

The Independent Directors, who have been so advised by Northland Capital, consider that the Acquisition and the Rule 9 Waiver are fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing advice to the Independent Directors, Northland Capital has taken account of the Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Shareholders vote in favour of Resolution 1 and that Independent Shareholders vote in favour of the Waiver Resolution. Voting on the Waiver Resolution will be by means of a poll of Independent Shareholders.

Those members of the Concert Party who would otherwise be entitled to vote at general meetings will not vote on the Waiver Resolution at the General Meeting. The Directors consider that the Placing, the Share Consolidation, the appointment of the Proposed Directors and the amendment to the Articles are in the best interests of Shareholders and the Company as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolutions 3, 4, 5, 6 and 7.

Colin Weinberg and Richard Armstrong, who are both Independent Directors and Independent Shareholders, have undertaken to vote in favour of the Resolutions in respect of our beneficial shareholdings representing in aggregate 1.74 per cent. of the Existing Ordinary Shares.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2016

Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 19 March
General Meeting	11.00 a.m. on 21 March
Record date and time for the Share Consolidation	5.00 p.m. on 21 March
Completion of the Acquisition	22 March
Admission effective and dealings in the New Ordinary Shares Commence	8.00 a.m. on 22 March
Expected date for CREST accounts to be credited (where applicable)	22 March
Definitive share certificates despatched by no later than	5 April

The above dates are indicative only and may be subject to change.

All references to time are to London time unless otherwise stated.

KEY STATISTICS

Placing Price and Issue Price (per New Ordinary Share)	35.5p
Number of Existing Ordinary Shares in issue immediately before Admission	618,492,947
Consolidation ratio	100:1
Number of New Ordinary Shares in issue immediately before Admission	6,184,929
Number of Placing Shares	5,492,958
Number of Consideration Shares	24,788,732
Number of New Ordinary Shares in issue immediately following the Placing, the Acquisition and Admission	36,466,619
Placing Shares as a percentage of the Enlarged Share Capital	15.1 per cent.
Consideration Shares as a percentage of the Enlarged Share Capital	68.0 per cent.
Gross proceeds of the Placing	£1.95 million

Estimated net proceeds of the Placing receivable by the Company	£1.50 million
Number of New Ordinary Shares under option immediately following the Placing, the Acquisition and Admission	3,225,940
Number of New Ordinary Shares in issue on a fully diluted basis following the Placing, Acquisition and Admission ⁽¹⁾	39,692,559
Market capitalisation of the Company at Admission at the Placing Price	£12.95 million
ISIN for the Existing Ordinary Shares	IM00B52P5P72
ISIN for the New Ordinary Shares ⁽²⁾	IM00BZ4SS228
Existing TIDM	3LEG
New TIDM ⁽³⁾	SALV

(1) On the basis that all Options granted by the Company and in existence on Admission have been exercised.

(2) The new ISIN will become effective only if the Share Consolidation is approved at the General Meeting.

(3) The new TIDM will become effective only if all the Resolutions are passed at the General Meeting.