

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS A PROPOSAL RELATING TO DUKE ROYALTY LIMITED ON WHICH YOU ARE BEING ASKED TO VOTE.

If you are in any doubt about the contents of this document you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, legal adviser, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or transferred all of your shares in the Company, please send this document and the accompanying Proxy Form to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

DUKE ROYALTY LIMITED

(a company incorporated in Guernsey with registration number 54697)

NOTICE OF EXTRAORDINARY GENERAL MEETING

to be held at

4th Floor, West Wing, Trafalgar Court, Admiral Park
St Peter Port, Guernsey GY1 2JA

on

21 December 2017 at 10.00 AM

Your attention is drawn to the letter from the Chairman of the Company set out on pages 5 to 8 of this document, which includes the recommendation of the Directors that you vote in favour of the resolution to be proposed at the EGM, described further below.

Notice of the EGM, to be held at 10.00 AM local time on 21 December 2017 at 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey GY1 2JA, is set out in the Appendix to this Circular. Your attention is also drawn to the section entitled "Action to be taken" on page 8 of this document.

Defined terms used in this document have the meanings ascribed to them in the section headed "Definitions" starting on page 9 of this document.

Members are requested to return a Proxy Appointment by one of the following methods: (i) by Proxy Form by post, by courier or by hand to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and in any event not later than 10.00AM local time on 19 December 2017; or (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service (details of which are contained in this document) to Computershare Investor Services (Guernsey) Limited, as soon as possible and in any event not later than 10.00 AM local time on 19 December 2017.

Completion of a Proxy Appointment does not preclude a Member from subsequently attending and voting at the EGM in person if he/she so wishes.

Copies of this Circular will be available free of charge from the Company's registered office, 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey GY1 2JA, during normal business hours and a copy is available on the website of the Company at www.dukeroyalty.com.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾⁽²⁾

Event	Time and/or date
Circular and Form of Proxy published	5 December 2017
Latest date and time for receipt of proxy forms	10.00 AM, 19 December 2017
Extraordinary General Meeting	21 December 2017
Announcement of the results of the Extraordinary General Meeting	21 December 2017
Expected date of admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 AM, 22 December 2017

Notes:

1. References to times in this document are to London time unless otherwise stated.
2. The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in which event the Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates and the details of the new times and dates will be notified to the London Stock Exchange and, where appropriate, Members. Members may not receive any further written communication.

SHARE CAPITAL STATISTICS

Number of existing Shares in issue ⁽¹⁾	45,377,459
Number of options in issue pursuant to the Share Option Scheme ⁽²⁾	760,000
Number of warrants in issue ⁽³⁾	2,000,000
Number of Shares in issue after the Fundraising ⁽⁴⁾	96,877,459

Notes:

1. As at the Latest Practicable Date prior to the date of this Circular.
2. All of the options were granted and vested on 4 September 2015, have an exercise price of £0.75 per Share and expire on 3 September 2020.
3. Issued to Partners Value Investments LP (“PVI”) pursuant to an advisory agreement dated 7 November 2017 made between PVI and the Company. All warrants are exercisable at £0.42 and expire on 6 November 2022.
4. Assuming the Resolution is passed at the Meeting and 1,500,000 new ordinary shares to be issued prior to Admission, under the terms of the Support Services Agreement dated 16 June 2015 made between the Company and Abingdon Capital Corporation (“Abingdon”), as previously announced by the Company in its recently reported interim results on 8 November 2017, with 1,070,193 shares to be issued to Abingdon and 429,807 shares to be issued to Arlington Group Asset Management Limited.

LETTER FROM THE CHAIRMAN

Duke Royalty Limited

(Incorporated in Guernsey with registered number 54697)

Directors:

Mr Nigel Birrell *(Non-Executive Chairman)*
Mr Neil Johnson *(Executive Director and CEO)*
Mr Charles (Charlie) Cannon-Brookes *(Executive Director)*
Mr Justin Cochrane *(Executive Director)*
Mr Mark Le Tissier *(Non-Executive Director)*
Mr Matthew Wrigley *(Non-Executive Director)*

Registered Office:

4th Floor, West Wing
Trafalgar Court
Admiral Park
St Peter Port
Guernsey GY1 2JA

5 December 2017

To all Members of Duke Royalty Limited (the “**Company**”)

Dear Member,

Earlier today the Company announced that it had successfully raised £20 million (before expenses) through a Placing and Subscription (together, the “**Fundraising**”) and that the issue of the New Ordinary Shares would be subject, *inter alia*, to Members granting to the Directors the authority to issue such shares for cash on a non-pre-emptive basis.

This Circular provides you with the background to, and details of the resolution to be passed in connection with the conditional Fundraising of the Company (the “**Resolution**”) and contains a Notice of Extraordinary General Meeting which is to be held to seek your approval of the Resolution.

Details of the Resolution is as follows:

Resolution: *To authorise the Directors to issue 50,000,000 New Ordinary Shares in the Company at the issue price of 40 pence in connection with the Fundraising, as if the rights of pre-emption in Article 4.2 of the Articles did not apply to any such issue*

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this Circular are true and accurate in all material respects and that there are no material facts, the omission of which would make misleading any statement contained in the Circular, whether of fact or opinion.

Recommendation

The Directors recommend that Members should vote in favour of the Resolution, as they intend to do in respect of their combined holdings of 6,075,000 Shares, representing 13.39 per cent. of the issued share capital of the Company, prior to the allotment of the New Ordinary Shares.

Background to and reasons for the Fundraising

In March 2017, in conjunction with its re-admission to AIM, the Company raised £15 million in growth capital in order to commence building a diversified portfolio of royalty investments. Shortly thereafter in April 2017, Duke made its inaugural royalty transaction through the provision of €8 million to Temarca BV (“**Temarca**”), a Netherlands-based river cruise provider with an initial cash on cash yield of 12.8 per cent per annum under the terms of the partnership. This was followed by the Company’s second royalty transaction in October 2017, in which £7 million over two tranches were provided to Lynx Equity (UK) Limited (“**Lynx UK**”), which owns and operates a number of companies in a diverse range of industries. The terms of this partnership provide for an initial cash yield of 12.0 per cent per annum.

Having already secured two royalty partners, the Directors' strategy is to continue to build a diversified portfolio of royalty streams from companies ("**Royalty Partners**"), increasing its short to mid-term dividend yield and de-risking its business. Over the past months, in conjunction with Oliver Wyman, the Company has continued evaluate a number of potential Royalty Partners. The Company is now seeking to raise additional funds as the current pipeline of potential transactions exceeds the Company's available funds.

The Company has successfully raised £20 million (before expenses) which will provide funding for two new Royalty Partners totaling £16 million, both of which are in advanced stages of negotiation and will be made on Duke's typical terms. The balance of the funds will be applied towards follow-on investments in existing Royalty Partners as Duke has options to contribute more capital to both Tamarca and Lynx UK on the terms of their original contributions, or to be applied to pipeline deals to further diversify the portfolio, at the Board's discretion, as well as for working capital. The Fundraising is not conditional on the completion of the investments in the new Royalty Partners, which are still subject to final due diligence and definitive documentation.

The Board believes that the Fundraising and subsequent deployment of capital will provide investors with a more diversified portfolio. The portfolio is expected to provide Duke with a long-term predictable revenue stream, paid monthly with embedded growth. Upon capital deployment, the Board believes that Duke will be able to increase the Company's dividend.

Use of Proceeds

It is intended that the proceeds from the Fundraising will be used to provide follow on investments in the Company's existing portfolio of Royalty Partners, to capitalise on identified near term opportunities and to provide working capital.

The two near-term investment opportunities that the Company is currently pursuing are:

A) A £9 million investment into a specialist coatings manufacturer

This company was founded in the 1940's to provide industrial and powder coatings and decorative paint. It has over 120 employees and is a key supplier to several global brands. The funds to be provided by Duke would enable the Royalty Partner to buyout an existing shareholder and provide funds for general working capital purposes. Non-binding terms have been agreed for up to £9 million investment in line with Duke's typical deal structure including:

- over 13% initial cash-on-cash yield per annum
- an annual adjustment factor based on revenue performance, subject to a collar
- a 30-year term, will have seniority over equity, and provides the Royalty Partner with a buy-back option incurring a penalty

This investment opportunity is still subject to final due diligence and definitive documentation. It is expected that this transaction will be concluded within weeks of completion of the Fundraising.

B) A £7 million investment into a glass processing business

This company was established in 1979 and is a leading independent glass merchant and processor, with a diverse group of 300 active customers. Duke's funds are intended to enable the Royalty Partner to buyout a remaining shareholder of a subsidiary, refinance bank debt and provide funds for general working capital purposes. Non-binding terms up to £7 million investment are expected to be finalized in line with Duke's typical deal structure including:

- over 13% initial cash-on-cash yield per annum
- an annual adjustment factor based on revenue performance, subject to a collar
- a 30-year term, senior security, and provides the Royalty Partner with a buy-back option incurring a penalty

This investment opportunity is still subject to final due diligence and definitive documentation. It is expected that this transaction will be completed by April 2018.

In the event that neither of the transactions described in A) or B) immediately above complete, the Board would expect to deploy proceeds into alternative Royalty Partners, and/or the current options the Company has in relation to the existing Royalty Partners. The Board's stated goal is to increase the diversification in the number of Royalty Partners, and has a further identified near

term pipeline of new Royalty Partners with up to £26 million of capital which could be deployed into such partners.

Neil Johnson, Duke's CEO commented:

“We are delighted with the support that we have received from both new and existing institutional shareholders. Following our Admission in March 2017, we have gained traction in Europe for our royalty financing product to the point where our near-term pipeline exceeds our available funds. The net funds of this placing will accelerate our royalty investments and expected returns to shareholders, and supports the Company as we execute on our position as the only UK-quoted non-resource royalty company.”

Voting requirements

Under Article 4.7 of the Articles, the Company may, by extraordinary resolution, disapply the rights of pre-emption for the issue of equity securities. An extraordinary resolution is passed where no less than 75 per cent of those present and entitled to vote, or voting by proxy, in a general meeting vote in favour for it to be passed.

Extraordinary General Meeting

The Extraordinary General Meeting of the Company is to be held at 10.00 AM on 21 December 2017 at the Company's registered office, 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey GY1 2JA.

Action to be taken by Members

A proxy form for the Meeting is enclosed with this Circular and, to avoid the inconvenience of holding an adjourned meeting, you are encouraged to complete and send it to the address set out on the proxy form as soon as possible and, in any event, to arrive at least 48 hours before the time appointed for the Meeting. You will still be entitled to attend the Meeting in person and vote if you wish.

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 10.00 AM on 19 December 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009.

Further Information

Members should direct any enquiries concerning the voting procedures to the Administrator on Tel: +44 (0) 1481 727 571 or Fax: +44 (0) 1481 723 162. No information other than that which is contained in this document will be given. No advice will be given on whether individual Members should vote for or against the Resolution.

ACTION TO BE TAKEN – IMPORTANT

YOU ARE URGED TO COMPLETE AND RETURN THE ENCLOSED PROXY FORM AS SOON AS POSSIBLE TO ARRIVE WITH THE REGISTRAR NO LATER THAN 10.00 AM ON 19 DECEMBER 2017 IRRESPECTIVE OF WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE MEETING.

WE WOULD ASK THAT MEMBERS ENSURE THAT SUFFICIENT TIME IS GIVEN FOR IT TO REACH THE ADMINISTRATOR BY POST

Yours faithfully

**Chairman
Duke Royalty Limited**

DEFINITIONS

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

TERMS	DEFINITION
Administrator	Trident Trust Company (Guernsey) Limited
AIM	AIM, a market operated by the London Stock Exchange
Articles	the current articles of incorporation of the Company
Circular	this document and the Appendix
Companies Law	Companies (Guernsey) Law, 2008, as amended
Company or Duke	Duke Royalty Limited
CREST	the computerised settlement system operated by Euroclear which facilitates the transfer of shares
Directors or Board	the members of the board of the Company from time to time
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Existing Ordinary Shares	the ordinary shares of no par value in the capital of the Company on the Last Practicable Date
Extraordinary General Meeting, EGM or Meeting	the extraordinary general meeting of the Company (or any adjournment thereof) to be held in connection with the Fundraising on 21 December 2017, notice of which is set out in the Appendix to this Circular
Extraordinary Resolution	an extraordinary resolution of the Company set out in the Notice of Extraordinary General Meeting which appears in the Appendix to this Circular
Form of Proxy	the form of proxy accompanying this document for use in connection with the EGM
Fundraising	means together, the Placing and Subscription
Issue Price	40 pence per New Ordinary Share
Latest Practicable Date	4 December 2017, being the latest practicable date prior to publication of this document
Meeting	the extraordinary general meeting of the holders of Shares which is being convened by way of the Notice of Extraordinary General Meeting which appears in the Appendix to this Circular
Member	a registered holder of Shares
New Ordinary Shares	the ordinary shares of no par value in the capital of the Company issued pursuant to the Fundraising
Notice of EGM, Notice or Notice of Extraordinary General Meeting	the notice of EGM set out in the Appendix to this Circular
Placing	the placing of 43,305,500 New Ordinary Shares at the Issue Price, commitments for which have been received from placees
Registrar	Computershare Investor Services (Guernsey) Limited
Regulatory Information Service	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies
Resolution	the resolution set out in the Notice of EGM
Share Option Scheme	the Company's share option scheme for the benefit of Directors, staff, consultants and other advisers

Shares
Subscription

ordinary shares of no par value in the capital of the Company
the direct subscription by certain investors for 6,694,500 New
Ordinary Shares pursuant to separate subscription agreements
entered into between the Company and each such investor

APPENDIX – NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise expressly stated, all defined terms referred to below shall have the same meaning as given in the Circular dated 5 December 2017 of which the Notice convening this Extraordinary General Meeting forms part.

Notice is hereby given of an Extraordinary General Meeting of Duke Royalty Limited (Guernsey Registration Number: 54697) (the “**Company**”) to be held at 10.00 AM local time on 21 December 2017 at 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey GY1 2JA (“**EGM**”) for the following purposes:

Extraordinary Resolution

To consider and, if thought fit, pass the following resolution as an extraordinary resolution of the Company:

THAT, the Directors be granted the power to issue equity securities (as defined in the Articles) in connection with the Fundraising (being the New Ordinary Shares) under the authority conferred under Article 3.1 of the Articles for cash as if the rights of pre-emption in Article 4.2 of the Articles did not apply to any such issue, by the disapplication of such rights of pre-emption in accordance with Article 4.7 of the Articles, provided that this power shall: (i) be limited to the allotment of 50,000,000 equity securities, each at the Issue Price; and (ii) expire at the conclusion of the Company’s Annual General Meeting in 2018 (or, if earlier 30 June 2018), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

By Order of the Directors:

Trident Trust Company (Guernsey) Limited

5 December 2017

Registered Office
4th Floor, West Wing
Trafalgar Court
Admiral Park
St Peter Port
Guernsey
GY1 2JA

Notes:

- a. A Member entitled to attend, speak and vote at the EGM is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the EGM instead of him/her (the "**Proxy Appointment**"). A proxy need not be a Member. A Member may appoint more than one proxy in relation to the EGM provided that such proxy is appointed to exercise the rights attached to a different share or shares held by the Member. A Member may not appoint more than one proxy to exercise rights attached to any one Share. Where multiple proxies have been appointed to exercise rights attached to different Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Member who appointed them would have on a show of hands if he/she were present at the meeting. On a poll, all or any of the rights of the Member may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the Proxy Form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as proxy (which, in aggregate, should not exceed the number of shares held by the Member). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- b. A Proxy Form is enclosed for use by Members to complete, sign and return. Completion and return of the Proxy Form(s) will not prevent a Member from subsequently attending the EGM (or any adjournments) and voting in person if he/she so wishes.
- c. On a vote on a show of hands, each proxy has one vote. If a proxy is appointed by more than one member, and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for", and "against" in order to reflect the different voting instructions.
- d. On a poll all or any of the voting rights of the Member may be exercised by one or more duly appointed proxies.
- e. In order to be valid, a Proxy Appointment must be made by one of the following methods:
 - i. by Proxy Form, delivered by post, by courier or by hand together with any power of attorney or other authority under which it is executed (or a notarially certified copy of such power of attorney or authority) to the Company's Transfer Agent, Computershare Investor Services (Guernsey) Limited, at c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY ("**Registrar**"); or
 - ii. in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case, it must be received by the Registrar as soon as possible and in any event not later than 48 hours before the time fixed for the EGM (or any adjournment). The Articles provide that a Proxy Appointment may be given by email or other electronic method. However, a Member that appoints a person to act on its behalf under any power of attorney or other authority must return by post, by courier or by hand such power of attorney or other authority (or a notarially certified copy thereof) to the Registrar as soon as possible and in any event not later than 48 hours before the time fixed for the EGM (or any adjournment) or, in the case of a poll taken not more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of a poll, or in the case of a poll taken not more than 48 hours after it was demanded, the time at which the poll was demanded.
- f. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of the meeting 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 will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with CREST specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's transfer agent, the Registrar, (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified above. 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 Company's transfer agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that no special procedures are available 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/her 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 provider(s) 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 34 of the Uncertificated Securities (Guernsey) Regulations, 2009.
- g. No Member will be entitled to be present or vote at the EGM (or any adjournment) either personally or by proxy unless their name appears on the register of members of the Company as at 10.00 AM on 19 December 2017. Changes to the entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the EGM (or any adjournments). This record time is being set for voting at the Meeting (and any adjournments) because the procedures for updating the register of members in respect of shares held in uncertificated form require a record time to be set for the purpose of determining entitlements to attend and vote at the EGM.
- h. Any corporation which is a Member may, by a resolution of its board or other governing body or officers authorised by such body, authorise such person or persons as it thinks fit to act as its representative at the EGM and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers as that corporation could exercise if it were an individual Member of the Company.
- i. The quorum for the EGM will be two Members present in person, by proxy or by corporate representative. If a quorum is not present within 20 minutes from the time appointed for the EGM, or if during the EGM such a quorum ceases to be present, the EGM, shall stand adjourned to such day, time and place as the chairman of the EGM may determine and, on the resumption of an adjourned EGM those Members present in person or by proxy shall constitute the quorum.
- j. Resolutions proposed at the EGM as ordinary resolutions, will be passed conditional on obtaining not less than 50 per cent. of the total number of votes cast by those entitled to vote in respect of the ordinary resolution.
- k. Resolutions proposed at the EGM as extraordinary resolutions, will be passed conditional on obtaining not less than 75 per cent. of the total number of votes cast by those entitled to vote in respect of the extraordinary resolution.

- l. By attending the EGM a Member expressly agrees they are requesting and willing to receive any communications made at the EGM.
- m. Information about the EGM is available on the Company's website, www.dukeroyalty.com
- n. As at close of business on 4 December 2017 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 45,377,459 shares. Each share carries (on a vote conducted by way of a poll) the right to one vote per share held at a general meeting of the Company and therefore the total voting rights in the Company as at close on 4 December 2017 is 45,377,459.

