



The Processing Centre • Haig House • Haig Road • Knutsford • Cheshire • WA16 8DX
t: 03300 103 032 • f: 08456 341145
info@africanland.biz • www.africanland.biz

Farming / Investor Update

Dear Investor,

We are writing to you to provide you with an update with regards to your investment in African Land Limited.

Summary Update

We are aware that some investors would like to receive more regular information with regard to their investment, activity in Sierra Leone and the current situation regarding the Financial Conduct Authority ("FCA").

If that is the case we sincerely apologise and assure you we have taken steps to improve our line of communications with you.

As you may be aware, in July 2013 the FCA issued proceedings against Capital Alternatives and 15 other parties, which included African Land and its directors, because they believe African Land and others were running a collective investment scheme (CIS) and as a result should not have been raising money without the FCA's permission.

We are extremely proud of African Land and everything we have achieved and we will defend the action brought by the FCA vigorously. We comment on this further below.

Notwithstanding the FCA action, the Farm is flourishing and we remain confident we will prevail and life at Yoni Farm continues with this very much in mind.

We also aim to launch a refreshed website within the coming days - this will be updated regularly and will become the place for the latest information regarding African Land, Yoni Farm and your investment in general.

In addition, as mentioned in previous updates, we have asked James Fletcher, a highly respected former national newspaper journalist, to review and subsequently handle our internal and external communications and he can be contacted if you have any queries.

We therefore take this opportunity to provide you with a summary of the progress at the Farm, your investments and the current position in relation to the action by the FCA.



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Development of the Farm

We are pleased to report that the African Land project improves year on year. The Farm is thriving and with each harvest the land becomes more productive and our farming techniques and the technology used, will only mean the project gets better. We are also improving the rice milling facilities and explain this further below.

Rice

The rice fields are a particularly spectacular site, with rice as far as the eye can see.

It is now the rainy season in Sierra Leone and so most of the work consists of tending the rice, weeding, bird and pest control, fertilizer application and water control.

There are currently approximately 100 staff working at the Farm. GMX Consulting Limited, the Vietnamese rice experts the Farm has engaged, are supervising the training of 50 local workers to increase their skills. It is hoped that these workers will then use their new skills at the Farm and pass on their skills to others. GMX will test workers on their new skills and those who pass the tests will receive certificates and accreditation.

We are preparing for the upcoming harvest which is due to commence later this month. The Farm will employ a further 100 members of staff to assist with the harvesting and the Farm has also just purchased another Combine Harvester to help with the harvesting.

In total we are farming around 1000 acres and the first harvesting of 18ha of Nerica and Vietnamese varieties - which are both short maturing crops - will be in around four weeks time (towards the end of September) with the remainder of the harvest taking place from late October to Early December.

Planting will then resume in either January 2014 - or at the resumption of the rainy season from April 2014.

The signs from this years crop are promising. The weed and pest issues are under control and the improved varieties of Nerica and Vietnamese rice have taken well and so we are hopeful for an increased yield on the last harvest.

We are also in discussion with the Makouba and Venema villages regarding expansion of the farm to the land owned by these two villages.





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Milling

As some of you are aware we have had an unexpected issue with our milling facility. Originally milling was carried out off site. This was not only costly but a process which remains out of our control.

GMX Consulting Limited, the world leaders in rice production, previously recommended a particular milling machine and a 60KW generator to power the mill, which we duly purchased.

We now mill in our milling facility close to Yoni Farm and are able to control the process which is far more efficient and therefore more profitable for you.

At first the milling equipment worked well and the vast majority of investor rice was milled and dividends subsequently paid.

However, it became apparent that the 60KVA generator was not powerful enough to cope with the milling process and subsequently it became unreliable. To overcome the problem, engineers flew out from the UK to fix the generator along with spare parts and we have limped along for a number of months attempting to work with the equipment until it was agreed it simply was not suitable.

A new 100KVA generator has now been ordered and is currently on its way out to Sierra Leone from the UK. The generator will arrive in Sierra Leone by the end of September, allowing us to bring work to catch up with the rice still awaiting milling.



(Around 35 tonnes of rice sits labelled, waiting to be milled - August 2013)

In total around 35 tonnes of rice is waiting to be milled. This is equivalent to around 40 acres of rice which belongs to around 15 investors. We believe we will be able to catch up on this and dividends will be passed on as soon as the rice has been milled and sold.



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Returns

Returns are promising from the next harvest. However, there are a number of issues which we would like to make you aware of:

1. The FCA_ There has been some confusion as to whether we were allowed to pay dividends to investors given the FCA investigation. We are happy to report this is not the case and we will continue to make dividend payments to investors.
2. Un-milled Rice - As mentioned above a small number of investors have been affected by the issues regarding the milling machine but we are addressing these and apologise for the delay in payment of outstanding returns. We anticipate further payments will be made to investors during October/November 2013.
3. Capital Alternatives / Dispute - We wrote to you in April 2013 with regards to the High Court action that we had brought against Capital Alternatives. The action was finally settled on 3rd July 2013. Due to this previous action, unfortunately, farming has been delayed in respect of approximately 120 investors who purchased plots in African Land via Capital Alternatives. This is something that has been beyond African Land's control and has now been resolved and the workers at the Farm are working quickly to ensure that the plots are farmed as soon as possible. As you are aware from our promotional material, ordinarily plots take up to two years to cultivate and then six months for the crops to grow. For some of these investors this means a return is not likely within the next 18 months. This is very unfortunate and again we apologise. The situation is being addressed as quickly as possible by the Farm.

The FCA

As referred to above, two days after the action against Capital Alternatives was settled, the FCA issued proceedings against Capital Alternatives Limited and 15 other parties, which included African Land and its directors, because they believed African Land and others are running a CIS.

We believe the FCA are wrong and had they discussed this with us before launching an action, we believe they would have been satisfied that African Land is far from a CIS. As you know, African Land has been careful to separate different investors land and their resulting harvests. African Land will establish this. Sadly the FCA have never been to visit the farm.

If we don't stand our ground and defend the action it is possible that as a result of the FCA's action the scheme, the company, the farm and your investments will be closed down. Investors, who the FCA say they want to protect, will be the ultimate losers. We do not want this and are fighting to avoid this from happening. We will keep you updated as much as possible in relation to the development of the FCA's claim.

Further information on the claim brought by the FCA can be found attached to this update.



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The jobs of the people we are trying to help at Yoni Farm are at risk

Due to the FCA action, Yoni Farm, around 150 - 200 jobs, the rice fields and your investment are potentially facing a crisis and we would like your support to prevent this.

The closure of the farm would be disastrous for the local people and their families who would lose their source of income. African Land, Yoni Farm and the local residents in Sierra Leone now need your help.

We would ask you to write a letter in support of African Land to the FCA via James Fletcher at Onside PR informing the FCA why you support the project and asking them to drop this action against African Land.

We enclose a SAE but Onside PR are located at: Onside PR, Courthill House, Water Lane, Wilmslow, SK9 5AJ.

We are determined to stand our ground and defend the FCA's action and hope to do this with your support.

We have enclosed a self-addressed envelope for your convenience or you can email Africanland@onsidepr.com if you prefer.



4. Land Dispute - Aside from the financial issues African Land faced a land dispute which affected around 1,200 acres of farmland. The Volima village initially disputed African Land's right to farm the land and claimed they had not been consulted and were demanding a separate lease.

We are delighted to report that this issue has been resolved and the village accept entirely that in fact they were consulted and we can continue with our work.

This is a matter that was beyond our reasonable control and unfortunately is one of the problems to be expected sometimes when farming in Africa.

The individuals affected will be notified separately. However, we are now working hard to catch up with lost time.



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Authorised Brokers

African Land Limited have grown increasingly concerned with some of the feedback from a small number of investors in African Land with regard to brokers.

We are also aware, given the FCA investigation into a number of companies, firms or individuals, that there is a huge amount of uncertainty amongst investors. We are doing everything we can to protect your interests as investors and to reassure you as to the future of African Land.

With that in mind we have carefully selected four brokers who we are proud to endorse as being authorised to act on behalf of African Land (contact details are included at the end of this letter).

In addition, African Land has introduced a Code of Conduct for brokers (a copy is attached) and only those brokers who agree to our terms will be authorised to act on behalf of African Land.

We are currently unable to sell further investments in land in Sierra Leone. However, upon either the successful defence of our position or the FCA's decision to withdraw their action, trading will resume and at that time we authorise the following brokers to act on our behalf.

The Processing Centre - 03300 103 032 - remains open to deal with any enquiries and James Fletcher (contact details below) and Howard Meadowcroft remain on hand to deal with your enquiries.

Thank you for your patience and hopefully this helps you moving forward.

Website / Social Media

We are about to update our website and we would also like to publish investor support online. If you send us a letter of support and do not wish to be identified on our website, please let us know.

We are also on Facebook at: AfricanLandFarming

We will do our best to improve the way we communicate with you but we need your support to ensure Yoni Farm survives.

Yours sincerely

Robert McKendrick
Director - African Land Ltd



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Press Release: August 1, 2013

The Financial Conduct Authority: A Statement

You may have recently seen in the press that Capital Alternatives Limited, along with a number of their product providers, including African Land Limited, have been taken to court by the Financial Conduct Authority (FCA).

The FCA claim that the investments in African Land are a collective investment scheme and therefore come under the regulatory control of the FCA.

The purpose of this statement is to comment on the FCA's action to our present body of investors. African Land strongly refute the allegations and will contest the FCA's action vigorously.

African Land do not consider that they operate a collective investment scheme and entirely refute allegations by the FCA that African Land has knowingly misrepresented investments to investors.

We are cooperating with the FCA and have undertaken, pending the conclusion of the FCA's action, not to promote investments in African Land or accept any new investments into African Land.

Importantly, the farm in Sierra Leone is unaffected by the action and continues to operate as normal with the production of rice continuing.

In addition, we openly invite the FCA to attend and inspect the facilities of the farm in Sierra Leone.

As you know African Land proudly represents hundreds of individual investors, each of whom have acquired sub leases in respect of their own acres of land.

These plots are subsequently individually farmed by your appointed representatives to produce rice. Profits from the sale of rice from the individual plots are then passed on to individual investors.

Moreover, so far as we are aware, nearly all of investors in African Land remain excited and satisfied by both their investment in the Farm and the opportunities the investments provide to the local community.

In May this year the Sierra Leone Ministry of Agriculture visited and inspected the Farm and were impressed with the current progress of the Farm and appreciated the opportunities it has provided to the local community including the increase of job opportunities and food source availability.

We hope that this statement provides you with clarity.

However if you would like to discuss this further please do not hesitate to email James Fletcher at: Africanland@onsidpr.com or via telephone on: +44 (0)845 519 6629.



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African Land - Authorised Brokers



1: Preferred Client

0844 410 0013

contact@preferredclient.co.uk

www.preferredclient.co.uk



2: Pension Transfer Options

0845 057 3742

www.firstpensiontransferoptions.co.uk



3: Chamberlain Asset Management

+44 (0)84 5094 6437

info@chamberlainassetmanagement.co.uk

www.chamberlainassetmanagement.co.uk



Fastrack Synergie Ltd
Alternative Investments

4: Fastrack Synergie Ltd

+0843 2892 921

www.fastracksynergie.com



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Code of Conduct

It is a condition precedent to joining PreferredPartner that Member firms must commit themselves to maintaining a higher standard of service than may be otherwise required; implementing and adhering to the following principles. The code is intended to complement all and any legal and/or any other regulatory bodies' requirements but distinguish our members through their voluntary commitment.

The Member firm must endeavour to ensure that all their staff - including employees, agents, introducers, intermediaries, IFAs, trustees and/or outsourced sub contactors - involved in the process to benefit any consumer - are aware of, understand, and follow this Code and the Member firm take reasonable checks to ensure that the Code is followed by all such staff.

- I. The Member will operate a robust training policy to ensure that all staff are trained to concentrate their efforts on presenting customers with options for clients to consider what suits them best. Unqualified staff must also be trained not to advise upon or sell investments - nor recommend, exert pressure or bias upon clients yet recognise when to refer a client to a qualified specialist.
- II. No Member or its staff shall act in a way that is likely to bring the industry into disrepute.
- III. No Member or its staff will, either actively or tacitly, condone any improper or illegal activity conducted by any supporting or subordinate intermediary.
- IV. Members and their staff will at all times be transparent in their dealings with potential and actual clients and provide full and early disclosure of all contract terms and conditions.
- V. No Member or its staff will misrepresent, even by implication or omission, any term or condition of a proposed contract.
- VI. Members, their staff and Intermediaries must provide clients with appropriate and accurate information that must be neither false nor misleading.
- VII. No Member or its staff will submit an application unless the application has originated from a correctly licensed source.
- VIII. The Member and their staff shall not permit commission sacrifice, commission back or any other direct or indirect incentive to any consumer to proceed with any of the products within the PreferredPartner panel unless and until PreferredPartner provides their written consent to the Member for any individual case to proceed.
- IX. Members and their staff will encourage consumers to read documentation carefully and consumers must be allowed sufficient time to consider any agreement and to obtain independent advice. Members and their Intermediaries should not discourage their clients from seeking impartial advice or from "shopping around".
- X. Members and their staff will ensure that their staff and all parties participating in the process are fully conversant with the product being offered.
- XI. Above all the Members must endeavor to treat all customers fairly by adhering to a policy to train all staff to deal with each client with no less clarity or sincerity than that staff member would wish their best friend or closest relative to receive in the same situation.



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