

Natural Resource Holdings Ltd.

(“the Company”)

Date: June 11, 2017

For the attention of:

The Securities Authority

www.isa.gov.il

For the attention of:

Tel Aviv Stock Exchange (TASE) Ltd.

www.tase.co.il

Dear Sir/ Madam,

Re: **An Ad hoc report and notice convening the Company’s Annual General Assembly, the agenda of which includes a transaction between the Company and their controlling shareholder, and an exceptional private offer.**

Pursuant to the Companies Law, 1999 (hereinafter: “**the Companies Law**”), the Securities Law, 1968 (hereinafter: “the Securities Law”), the Securities Regulations on Ad hoc and Periodic Reports 1970 (hereinafter: “**the Reports Regulations**”); and with the Securities Regulations on Transaction between a Company and their Controlling Shareholder, 2001 (hereinafter: “**Transaction with a controlling shareholder Regulations**”), the Securities Regulations on Private Offer to a Registered Company, 2000 (hereinafter: “**Private Offer Regulations**”), an amended notice is hereby granted, regarding the convening of the Company’s Annual General Assembly, which also has on the agenda a proposal to approve the Company’s engagement in a transaction in which the controlling shareholder has a personal interest, as well as the controlling shareholder’s exceptional private offer as detailed in Section 1.4 of this report:

Matters on the Agenda:

- A. Presentation and discussion of the Company’s audited financial statements, together with the report of the Board of Directors on the status of the Company’s matters, as of December 31, 2016. The financial statements were published by the Company on March 31, 2017 on the website of the ISA: www.magna.isa.gov.il and on that of the Stock Exchange: www.maya.tase.co.il (Reference 2017-01-034758).

- B. Appointment of Directors. The reappointment of Mr. Roy Sabag (Chairman of the Board of Directors) and of Mr. Eran Mazor, as well as the appointment of Mr. Andres Finkielsztain to the Company's Board of Directors and the determination of their salary.
- C. The appointment of auditors for 2017. It was proposed to renew the appointment of the serving auditors: Strauss, Lazar and Co. CPA Offices as Company auditors for an additional auditing period, until the next Annual General Assembly.
- D. Approval of the Company's engagement in a transaction in which the controlling shareholder has a personal interest, in the framework of which the controlling shareholder will extend a credit line to the Company in consideration of an exceptional private offer of the Company's shares to the controlling shareholder, as detailed in Section 1.4 of the report below.

1. **Phrasing of the proposed resolutions, details of the engagement with the controlling shareholder, and its main terms**

1.1. **Discussion on the Company's audited financial statements, with attaching the report of the Board of Directors on the status of company matters, as of December 31, 2016 (hereinafter: "the Financial Statements")**

The financial statements were published by the Company on March 31, 2017 on the website of the Authority: (Reference: www.maya.tase.co.il) and that of the Stock Exchange: www.magna.isa.gov.il (Reference: 2017-01-034758).

1.2. **Appointment of Directors**

Text of the proposed resolution: After each of the gentlemen detailed below has declared that they have the required skills and ability to devote the appropriate amount of time to fulfilling their role as Company Director, has detailed the aforementioned skills, and has declared that the restrictions provided for in Sections 226 and 227 of the Companies Law, 1999 ("**the Companies Law**") do not apply to them, we propose to appoint the directors detailed in this resolution as follows:

- 1.2.1. To reappoint Mr. Roy Sabag (Chairman of the Board of Directors), who is serving on the Company's Board of Directors at the time of this resolution.
- 1.2.2. To reappoint Eran Mazor, who is serving on the Company's Board of Directors at the time of this resolution;

1.2.3. To appoint Mr. Andres Finkielsztain as Company Director.

A separate vote will be organized regarding each of the candidates to serve on the Board of Directors.

The aforementioned affidavits are attached **in Appendix A** of this report.

For the record, it should be noted that the extension of Mrs. Vered Mor Porat's tenure as member of the Company's Board of Directors is not on the agenda and, therefore, Mrs. Mor Porat's tenure as member of the Company's Board of Directors will terminate on the date of the General Assembly.

It should be clarified that Mr. Eran Mazor is not entitled to receive a salary for his tenure as member of the Company's Board of Directors beyond the salary that is paid to him for his tenure as CFO and Secretary of the Company. It should also be clarified that Mr. Roy Sabag is not entitled to receive a salary for his tenure as CEO, as Director or as Chairman of the Company's Board of Directors.

For Mr. Andres Finkielsztain's tenure as member of the Board of Directors of the Company, Mr. Finkielsztain shall be entitled to an annual remuneration and participation in the determined sums up to the amounts prescribed in the Second and Third Addenda of the Companies Regulations (Rules Regarding the Remuneration and Expenses for an External Director), 2000 (hereinafter: "**Remuneration Regulations**"). For the details required pursuant to Regulation 26 of the Securities Regulations (Periodic and Ad hoc reports), 1970, regarding Mr. Roy Sabag and Mr. Eran Mazor, whose reappointment is on the agenda, please see the Company's periodic report for 2016, which was published on March 31, 2017 (Reference: 2017-01-034758). This reference constitutes a part of the reference included in the information on this matter in the said periodic report.

To the best of the Company's knowledge, there were no changes to the details of the aforementioned Directors, as detailed in the Company's periodic report for 2016.

Below are the details required pursuant to Regulation 26 of the Reports Regulations concerning Mr. Andres Finkielsztain, whose appointment has been proposed:

| | |
|--|---|
| Director's name: | Andres Finkielsztain |
| Passport number: | 502786801 |
| Date of birth: | January 2, 1973 |
| Address for service of court documents: | Julian Alvarez 2870 piso 6C, Buenos Aires, CP1425 Argentina |

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|--|--|
| Citizenship: | United States |
| Membership in a Board committee or committees: | NONE |
| External Director: | No |
| Is he an employee of the Company, their subsidiary or affiliate, or of their controlling shareholder:¹ | No |
| Start date of his tenure on the Board of Directors: | |
| Education: | Economics graduate - Bard College |
| Occupation during the past five years: | Director of Client portfolios in Soros Brothers Investments LLC. |
| Corporations in which he serves as Director: | FINK & FINK II LLC |
| To the best of the Company's knowledge and that of their Directors, is he a relative of another interested party in the Company: | No |
| Is he a Director that the Company considers to be an accounting and financial expert, for the purposes of complying with the minimal number determined by the Board of Directors, pursuant to Section 92(a)(12) of the Companies Law: | |
| Is he an independent director: | |
| Is he an expert external director: | No |
| Is he an employee of the Company, their subsidiary or affiliate, or of their controlling shareholder:² | No |

1.3. Appointment of Auditors for 2017

Text of the proposed resolution: To renew the appointment of the serving auditors: Strauss, Lazar and Co. CPA Offices, as the Company's auditors for an additional audit period, until the next Annual General Assembly.

¹ In this context it should be noted that, to the best of the Company's knowledge, Mr. Finkielstain is employed by Soros Brothers Investments LLC, which is a foundation established by Mr. George Soros (hereinafter: "**the Soros Foundation**"). Inter alia, the Soros Foundation deals in various investments and from time to time during the past years, inter alia, they have invested in various business ventures in which the controlling shareholder in the Company has also made an investment. Furthermore, in 2015 the Soros Foundation invested in Goldmoney Inc., a public company traded in Canada and which is under the control of the controlling shareholder in the Company. The Soros Foundation holds less than 5% of the share capital of Goldmoney Inc.

In addition, a report will be provided regarding the auditor's fees (including for additional services) pursuant to the provisions of Sections 165(b) and 167(b) of the Companies Law.

1.4. **Approval of the Company's engagement in a transaction in which the controlling shareholder has a personal interest.**

Background

1.4.1. The Company is short of the financial resources which it needs for continuing to finance its regular operations.

1.4.2. In the years 2014 and 2015, the controlling shareholder provided financing for the company by means of a loan that was converted into Company shares (please see Paragraph 7 of this report).

1.4.3. At the beginning of 2017, the Company raised one million new Israeli shekels from a foreign company, which serves to finance their current operations. Other than this capital funding, the Company has no additional financing options, other than the financing upheld by their controlling shareholder. The controlling shareholder has expressed willingness to again provide the Company with a \$400,000 credit line for the purpose of financing current operations for the next two years, against allocation of Company shares.

The transaction is being raised for the Assembly's approval

1.4.4. To receive from the controlling shareholder a credit line for an amount of up to \$400,000 (hereinafter: "**the Credit line**"), which will be used for the Company's current activities, as needed. The credit line provided to the Company will be used, from time to time, to supplement their operational needs, subject to a decision to be made by the CEO of the Company.

- 1.4.5. The credit line will be linked to the US dollar and will not carry any interest. The Credit Line will be available for the Company's use for a period of up to two years from the date of the general assembly's approval of the transaction.
- 1.4.6. The controlling shareholder will not be permitted to request repayment of the balance of the credit line (as it will be from time to time) or part of it, unless when the Company is convinced that after making the requested payment of the credit line there will not be any prejudice to the Company's ability to pay back the overall, known and expected, liabilities (in a normal business process) for a period of at least 12 months going forward.
- 1.4.7. Upon payment of the balance of the credit line or any part of it, the controlling shareholder shall be entitled (as it will be from time to time), to the Company allocating shares to them, pursuant to an exchange rate of 0.83 NIS per share.

It should be clarified in this context that the Company will allocate to the controlling shareholder the shares to which they are entitled and that they will be listed for trading in 2 phases. Accordingly, the Company will not be required to approach the Stock Exchange with more than two requests for listing the balance of the shares to which the controlling shareholder is entitled for the trading, following exploitation of the credit line.

- 1.4.8. For the purposes of calculating exchange rates, any dollar sum extended by the controlling shareholder will be calculated in accordance with the known representative dollar rate on the date of the Board of Director's decision to approve the transaction (April 26, 2017), which was 3.648 NIS per dollar.
- 1.4.9. In case the credit line is exhausted by the company (\$400,000), and in accordance with the representative dollar rate as detailed above (3.648 NIS), the maximum amount of shares to be allocated to the controlling shareholder in the Company in relation to the aforementioned credit line is of 1,758,072 ordinary shares of the Company.

1.4.10. As long as the controlling shareholder assigns their rights of repayment of the Credit Line to others, they will be permitted to assign their rights to receive shares in allocations for the repayment of the Credit Line, as mentioned.

In this context, it should be noted that the Company's controlling shareholder that serves as Chairman of the Board and CEO of the Company does not receive a salary from the Company.

2. **The Private Offer**

2.1. **The Offeree of the private offer and the facts in view of which they are an interested party**

Against repayment of the balance of the credit line, as it will be from time to time (or any part thereof), the Company will allocate shares to Mr. Roy Sabag, the controlling shareholder in the Company (hereinafter also: "**the Offeree**") in accordance with the exchange rate of 0.83 NIS per share.

For the purpose of calculating the exchange rate, every amount in dollars placed by the controlling shareholder will be calculated in accordance with the known representative dollar exchange rate on the date the Board of Directors resolution to approve the transaction (April 26, 2017), namely at a rate of 3.648 NIS per dollar.

In the case of full exploitation of the credit line by the company (\$400,000), and in accordance with the representative dollar rate as detailed above (3.648 NIS), the maximum amount of shares to be allocated to the Company's controlling shareholder in relation to the aforementioned credit line is of 1,758,072 ordinary shares of the Company.

The Offeree in the private offer is Mr. Roy Sabag, the controlling shareholder in the Company, Chairman of the Board of Directors and CEO of the Company. Mr. Sabag is an interested party (as defined by the Companies Law) in view of his role in the Company and in view of his shareholdings in the Company as detailed in Section 4.4 below.

2.2. **Terms and conditions of the offered securities and the date of their allocation**

Subject to the approval of the General Assembly and the approval of the Stock Exchange to register the Allocated Shares for trading, the Company will allocate up to 1,758,072 ordinary shares of the company at a nominal value of 0.01 NIS per share to Mr. Sabag (hereinafter: “**The Allocated Shares**”). As mentioned above in Section 1.4.7, the Allocated Shares will be allocated to the controlling shareholder in only two phases.

The Allocated Shares constitute approximately 12.9% of the issued and paid-up capital and of the voting rights prior to the allocation, and approximately 12.72% of the issued and paid-up capital and of the voting rights in full dilution. After the full execution of the allocation pursuant to this report, the shares allocated to the controlling shareholder will constitute approximately 11.43% of the Company's issued and paid-up share capital and of the voting rights therein, and 11.28% of the issued and paid-up share capital and voting rights on a fully diluted basis. For details regarding the Offeree's holdings before and after the Private Offer and full dilution, see Section 4.4 below.

2.3. **In exchange for the Allocated Shares**

- 2.3.1. The Allocated Shares will be allocated to the controlling shareholder against the repayment of the credit line. The conversion will be made in accordance with the exchange rate of 0.83 NIS per share.
- 2.3.2. The Allocated Shares will be equal in their rights to ordinary shares that exist in the Company's capital and will be entitled to all dividends or other benefits, when the determined date of the right to receive them starts, on their allocation date or after it.
- 2.3.3. The Allocated Shares will be allocated subject to compliance with the prerequisites prescribed in Section 6 below and will also be listed for trading on the stock exchange soon after their allocation. The shares will be registered

under the name of the nominee company, in compliance with the Stock Exchange Regulations.

- 2.3.4. The Allocated Shares will be blocked pursuant to the provisions of the law on blocking, please see Section 9 below.

3. **The controlling shareholder and the nature of the personal matter**

The controlling shareholder in the Company, as defined in Section 268 of the Companies Law, is Mr. Roy Sabag, holder of 7,341,480 shares of the Company, which, as of the date of this report, constitute approximately 53.90% of the issued and paid-up capital of the Company (approximately 53.12% of the issued and paid-up capital of the company in full dilution).

The controlling shareholder in the Company has personal interest in the engagement and in the private offer that are being brought for approval within the framework of this report since he is a party to it.

4. **The Company's Equity**

- 4.1. As at the date of this report, the Company's issued and paid up share capital is of 136,204.66 NIS divided into 13,620,466 ordinary shares with a nominal value of 0.01 NIS each.
- 4.2. Furthermore, the Company issued non-negotiable options, which can be exercised into ordinary shares of the Company. The options balance in the cycle as at the date of this report (February 2017) is 200,000 options.
- 4.3. Assuming the allocation of all of the Allocated Shares as detailed in this report, the Company's issued and paid-up capital would be of 153,785.38 NIS, divided into 15,378,538 ordinary shares with a nominal value of 0.01 NIS each.
- 4.4. To the best of the Company's knowledge,

the holding of the securities below is in line with the securities holdings of the controlling shareholder, with other interested parties the Company, with and the remaining shareholders in the Company, before and after allocating the securities as detailed in this report (and assuming the allocation of all of the Allocated Shares as detailed in this report:

Note: The holding rates detailed in the table below are in both the share capital and the voting power in the Company.

| After the Private Offer detailed in this report | | | | | Before the Private Offer detailed in this report | | | Name of shareholder |
|---|-------------------|--|----------------|-------------------|--|----------------|-------------------|-------------------------|
| With full dilution | | Without dilution and in the case without full allocation of shares | | | | | | |
| % | Shares | % | Options | Shares | % | Options | Shares | |
| 58.41 | 9,099,552 | 59.17 | - | 9,099,552 | 53.90 | - | 7,341,480 | Roy Sabag |
| 6.42 | 1,000,000 | 6.50 | - | 1,000,000 | 7.34 | - | 1,000,000 | 1401385 Ontario Inc. |
| 0.29 | 44,750 | 0.29 | - | 44,750 | 0.33 | - | 44,750 | CPA Eran Mazor in trust |
| 6.42 | 1,000,000 | 6.50 | - | 1,000,000 | 7.34 | - | 1,000,000 | Industrial Valores S.A. |
| 1.28 | 200,000 | - | 200,000 | - | - | 200,000 | - | Andres Finkielsztain |
| 27.18 | 4,234,236 | 27.54 | - | 4,234,236 | 31.09 | - | 4,234,236 | The public |
| 100% | 15,578,538 | 100% | 200,000 | 15,378,538 | 100% | 200,000 | 13,620,466 | Total |

5. In exchange for the engagement and private offer

5.1. As mentioned in Section 1.4 above, the shares will be allocated to the controlling shareholder against the full usage of the credit line by the Company. As mentioned above, the funding to be extended to the Company against the use of credit line is intended to finance the Company's current operations

5.2. The manner in which the consideration in the engagement with the controlling shareholder was determined.

The amount of shares that the controlling shareholder will receive against converting the loan and extending an additional line of credit was determined based on a conversion rate of 0.83 NIS per share. The conversion rate of the

loans, as mentioned above, was determined based on the stock exchange price of the Company's shares on April 26, 2017, the date on which the Auditing Committee and Board of Directors approved the private offer, in the amount of 0.91 NIS per share.

Also, the Board of Directors took into account the fact that the Allocated shares are shares that are blocked in accordance with the provisions of the Securities Law and the regulations on their behalf.

The price of the Company's share on the stock exchange on April 26, 2017 (the date the Auditing Committee and the Board of Directors made a decision regarding the private offer) was of 0.91 NIS. The price of the Company's share on the stock exchange on June 6, 2017 (close to the date of this report), was of 1.088 NIS.

5.3. The average price of the Company's share during the six months prior to the date of publishing this report ³ was of approximately 0.8526 NIS. The price of the share in the private offer is of 9%, 24% and 3% lower than the price of the share mentioned above in this paragraph, respectively.

5.4. Personal interest in the Exchange

The controlling shareholder in the Company has a personal interest in the consideration of the private offering, as mentioned in Section 3 above.

6. **Approvals or conditions that were established for the controlling shareholder for executing the transaction and the private offer**

6.1. On April 26, 2017 and on June 7, 2017, the Auditing Committee and Company Board of Directors discussed the engagement and the private offer to the controlling shareholder as mentioned before in this report, and they approved it.

6.2. The engagement and the private offer to the controlling shareholder are subject to the approval of the General Assembly of the Company's shareholders, with a special majority, as detailed in Section 13.6 below.

³ During the aforementioned period, the Company did not perform any capital consolidation or split, any stock, distribution of bonus shares or any offer by way of rights etc.

6.3. Furthermore, the private offer to the controlling shareholder is subject to the approval of the Stock Exchange for listing the Allocated Shares in the private offer for trading.

In this context it must be clarified that the Company will submit a request to the Stock Exchange to list for trading every time the Offeree requests this, all as provisioned in Section 1.4.7 above. The actual allocation of the shares will only be performed after receiving each approval from the Stock Exchange as mentioned above and simultaneously with the conversion of the relevant sum from the credit line into capital.

7. **Similar transactions with the controlling shareholder**

To the best of the Company's knowledge, other than the transactions that will be detailed in this section below, no other similar transactions were made with the controlling shareholder throughout the two years prior to the date of the approval of the engagement and of the private offer by the Board of Directors, or that are still valid on the date of the Board of Director's approval as mentioned:

7.1. In January 2014, pursuant to the approval of the Auditing Committee and the Company Board of Directors, pursuant to the Companies 1(2) (Easement in Transactions with an Interested Party) Regulations 2000 (hereinafter: "**the Easement Regulations**"), the controlling shareholder, Mr. Roy Sabag, extended a credit line for the company in the amount of \$200,000 (hereinafter in this Section 7: "the credit line"). The conditions for extending the credit line, approved as detailed above, are as follows: The credit line is linked to the US dollar and does not bear any interest whatsoever; the controlling shareholder is not entitled to demand the repayment of sums within the framework of the credit line if the repayment of the credit line would jeopardize the Company's ability to meet all their commitments during the 12-month period following said repayment. In the context of extending the credit line, on the date that the Board of Directors approved the placing of the credit line, the controlling shareholder notified the Company's Board of Directors that they would consider requesting that the Company should allocate them shares against the credit line. For additional details regarding this transaction which was approved pursuant to the Easement

Regulations, please see the Ad hoc report from January 28, 2014 (Reference: 2014-01-025687). In April 2015 the Company's General Assembly approved the full conversion to shares of the loan which was extended to the Company against the credit line. The conversion of the loan was executed in accordance to an exchange rate of 0.90 NIS. Accordingly, the Company allocated 881,333 shares to the controlling shareholder against the aforementioned loan conversion.

- 7.2. Furthermore, the Company's General Assembly from April 2015 approved an additional transaction, within the framework of which the Company received an additional credit line from the controlling shareholder in the amount of \$200,000 (hereinafter: "**The additional credit line**"), which will be used for the Company's current operations, when necessary. The controlling shareholder immediately extended a loan of \$ 80,000 to the Company out of this additional credit line, and the balance was made available to the Company, from time to time, according to the Company's requests and in accordance with their current needs until June 2015. The additional credit line was linked to the US dollar and did not bear any interest whatsoever. The additional credit line was intended for the Company's use during the 6-month period from the date of the General Assembly's approval of the transaction. Against the use of the additional credit line and the provision of money for the Company by the controlling shareholder, the Company Allocated Shares to the controlling shareholder an exchange rate of 0.90 NIS per share. Accordingly, for the \$80,000 that was immediately extended to the Company by the controlling shareholder, the Company allocated to the 352,533 ordinary shares of the Company. Against the use of the balance of the additional credit line in the amount of \$120,000 as mentioned above, which was used by the Company up to June 2015, the Company allocated 528,800 additional shares in April 2017.
- 7.3. Overall, for converting loans amounting to a total of \$400,000, which the controlling shareholder extended to the Company as detailed in Sections 7.1 and 7.2 above, the Company allocated 1,762,666 shares to the controlling shareholder.

8. **Agreements related to acquiring/selling securities or related to voting rights**

To the best of the Company's knowledge and in accordance with a notice from the controlling shareholder, there are no written or oral agreements between the controlling

shareholder and other parties regarding the purchase or sale of securities of the Company or related to the voting rights in it.

9. **Restrictions to carrying out transactions with the offered securities**

The sale of the allocated securities will be subject to the restrictions prescribed in Section 15c of the Securities Law, and in the Securities (Details Regarding Sections 15a to 15c of the Law) Regulations, 2000 (“**the Regulations**”), as detailed below:

9.1. During the six (6) months commencing on the date of the allocation (“**the absolute blocking period**”) the Offeree will not be entitled to offer the Allocated Shares for trading on the Stock Exchange without publishing a Prospectus that was authorized for publication by the Securities Authority.

9.2. In the six (6) consecutive quarters following the termination of the absolute blocking period, the Offerees will be entitled to offer the Allocated Shares for trading on the Stock Exchange without having to publish a Prospectus as mentioned above, subject to the following limitations:

- (1) No more than the daily average of the trading turnover of the Company’s shares on the stock exchange during a period of eight (8) weeks preceding the date of the offer
- (2) the overall quantity offered for sale in each quarter by the offeree will not exceed 1% of the issued and paid-up capital of the Company, as at the date of the offer.

Regarding Section 9.2 only - “**issued and paid-up capital,**” excluding shares deriving from exercising or converting convertible securities that were allocated up to the offer date and were not yet exercised or converted: “**a quarter**” is a period of three months. the first quarter will commence on the termination of the absolute blocking period

9.3. No restrictions regarding dates or quantities will apply to the extra-exchange sale of shares provided that anyone who acquired from the Offeree shares that were allocated to them as specified in this report complies with the provisions of the Securities Law and the with the Regulations on the Offeree’s behalf.

10. **Synopsis of the explanations given by the Auditing Committee and by the Board of Directors.**

The synopsis of the explanations given by the Auditing Committee and by the Board of Directors in approving the transaction with the controlling shareholder, which is detailed in Section 1.4 above, is presented below:

- 10.1. The Company lacks financial resources and has no liquid assets. While the Company recently raised a sum of approximately one million shekels within the framework of a private funding, they are likely to require additional financial resources for the continuation of their current operations, for repaying debts, and for regular payments, including those that derive from their scope as public company.
- 10.2. The Auditing Committee and the Board of Directors are of the opinion that at this stage the Company has no possibilities for raising additional financing from other sources.
- 10.3. The proposed transaction will provide a solution to the liquidity problems the Company is likely to encounter and will enable the Company to operate under normal conditions.
- 10.4. The allocation of the shares to the controlling shareholder was accomplished at the price at which the Company's stock is traded on the stock exchange without any premium payment to the controlling shareholder. Additionally, the allocation is at a rate that does not have in it anything that will significantly change the status of the holdings in the Company.

11. **The names of the directors that attended the Auditing Committee and the Board of Directors on April 26, 2017 and on June 7, 2017**

In the Auditing Committee - Tomer David, Yehoshua Hershkovitz, Vered Mor Porat

In the Board of Directors - Tomer David, Yehoshua Hershkovitz, Vered Mor Porat, Eran Mazor Tomer David, and Yehoshua Hershkovitz are external directors.

It should be noted that Mr. Roy Sabag, director and controlling shareholder in the Company, who has a personal interest in the approval of the engagement by being a party to it, was not present in the aforementioned Board meeting.

12. **The names of the directors who are, to the best of the Company's knowledge, interested parties in the engagement**

Mr. Roy Sabag is an interested party in the engagement by being a party to it.

13. **Convening the General Assembly**

13.1. The Shareholders' General Assembly, the agenda of which includes the issues and engagement detailed in this report, will take place on Monday, July 17, 2017 at 11:00 a.m. at the offices of the Company's attorneys, Zitvar, Galor and Co., Law Offices, located at 7 Menachem Begin Street Ramat Gan Tel.: 03-6127778. Should the meeting have to be postponed, it will be organized on July 24, 2017 at the same location and at the same time.

13.2. The shareholders entitled to attend the Meeting and any rescheduled meeting may participate and vote in person or via a proxy and, in the case of a corporation, via a person that was dully empowered in this regard.

The document appointing a proxy for the vote and the Power of Attorney, if any, pursuant to which the document was signed or a certified copy thereof must be delivered to the registered office of the company no later than 48 hours prior to the date set for the Meeting or for the rescheduled Meeting

13.3. Non-registered shareholders (i.e. whoever has shares registered to their credit at a stock exchange member, and those shares are included in the shares registered in the Shareholders Registry in the name of the Nominee Company, who wish to vote at the Meeting must present the authorization from the stock exchange member with whom their eligibility for the share is registered, regarding their ownership of the share on the determining date, pursuant to the provisions of the Companies (Proof of Ownership of a Share for the Purposes of Voting at the General Assembly) Regulations, 2000. Non-registered shareholders are entitled to receive the ownership certificate at the stock exchange member's office or via mail, and they are also entitled to instruct that the confirmation of ownership be sent to the Company via the electronic voting system.

Written Votes and Position Papers - A shareholder is entitled to vote at the General Assembly via a Written Vote, as detailed below:

A. Below are the website addresses of the Securities Authority and the Tel Aviv Stock Exchange Ltd., in which the text of the Written Votes and Position Papers is available as laid out in Sections 87 and 88 of the Companies Law, namely: Securities Authority distribution website:

<http://www.magna.isa.gov.il> (hereinafter “the distribution website”); the Tel Aviv Stock Exchange Ltd. <http://www.maya.tase.co.il>.

- B. A Written Vote must be casted via the second part of the Written Vote that is attached to this Ad hoc report. The Written Vote and documents that must be attached to it, as detailed in the Written Vote, must be delivered to the Company’s offices no later than 4 hours prior to the time when the Meeting is convened.
 - C. Furthermore, non-registered shareholders are entitled to vote at the Meeting via a Written Vote that must be sent to the Company via the electronic voting system. Voting will be allowed up to 6 hours prior to the time when the Meeting is convened.
 - D. The deadline for delivering Position Papers to the Company’s offices is with minimum 10 days prior to the date of convening the Meeting.
 - E. The last date for presenting the Board of Director’s reply to stance notices is up to five (5) days before the time of the convening of the meeting.
- 13.4. The determining date for the matter of shareholders’ eligibility to participate and vote at the Meeting, pursuant to the provisions of Sections 182(b) and (c) of the Companies Law and Regulation 3 of the Companies (Written Votes and Position Papers) Regulations, 2005, will be at the end of the trading day on the Tel Aviv stock Exchange on June 15, 2017 (hereinafter: **The determining date**).
- 13.5. A request to include a topic on the agenda of the Meeting - a request of a shareholder pursuant to Section 66(b) of the Companies Law, to include a topic on the agenda of a Special General Assembly, must be communicated to the Company within maximum seven days after the General Assembly is announced.
- 13.6. **The mandatory majority for approving a resolution proposal**
- 13.6.1. The mandatory majority for approving the resolution proposals that are detailed in Sections 1.2 and 1.3 above is a simple majority of those present and that have the right to attend the meeting.
 - 13.6.2. The General Assembly has the right to approve the engagement with the controlling shareholder and the private offer to the controlling shareholder as provided in Sections 1.4 and 2 of this report by a

resolution voted with a majority of those present and that have the right to participate in the vote, provided that one of the following conditions are met: (a) A majority vote at the General Assembly will include the majority of all the votes of shareholders who are not interested parties in the approval of the engagement and that participate in the vote. The total vote count of the aforementioned shareholders will not take abstentions into account; (b) The total opposing votes amongst the shareholders mentioned in Subsection (a) must not exceed the rate of two percent (2%) of the overall rights to vote in the Company.

A directive provided by the Authority or by an employee empowered by virtue of Regulation 10 of the Transaction with a Controlling Shareholder Regulations and/or Regulation 17 of the Private Offer Regulations could delay the convening the General Assembly.

14. **The Company's representatives for the matter of taking care of the Ad hoc report**

Atty.-at-Law Ronen Zitvar and Zohar Hadar Zitvar, Galor & Co., Law Offices
of Gibor Sport Building, 7 Menachen Begin Road, Ramat Gan 52521
Fax no.: 03-6127779, Tel. no.: 03-6127778

15. **Document review**

The documents relating to the engagement and the private offer to the controlling shareholder, as detailed in this Ad hoc report, can be reviewed at the offices of the Attorneys at Zitvar, Galor & Co., Attorneys of Law, located at 7 Menachem Begin Street, Ramat Gan, during regular business hours and with prior appointment.

**Natural Resource Holdings Ltd. C/O
Eran Mazor Director, Secretary and
Financial Manager**

Appendix A

**Declaration on the powers of a Director pursuant to the provisions of Section 224b of the
Companies Law**

Appendix B
Written Vote

June 11, 2017

For the attention of:

Natural Resource Holdings Ltd.

Declaration of a candidate for reappointment as director pursuant to the provisions of Section 224b of the Companies Law, 5759-1999

Whereas: Natural Resources Holdings Ltd. (“**the Company**”) is a public company, whose shares are traded on the Tel Aviv Stock Exchange Ltd.;

and whereas: Pursuant to the provisions of the Companies Law, **1999** (“**the law**”), I must provide this Declaration in order to be reappointed as director of the Company;

and whereas: I am aware of the fact that my Declaration will be exhibited in the Company’s Registered Office for public review.

Therefore, I, the undersigned **Roy Sabag**, holder of ID No. **021552211**, after having been warned that I must tell the truth and that I can be prosecuted as prescribed by law if I fail to do so, declare and commit to the following:

1. The aforementioned declarations constitute an integral part of this declaration.
2. All of the terms of this declaration shall be interpreted as provided for by the law.
3. No restrictions prescribed in Sections 226, 226a and 227 of the law, and nothing detailed in Section 225 of the law apply to me. To the extent that reference is to an independent director - the provisions in Paragraphs (1) and (2) apply to me in respect of the definition of an “independent director” as specified in Section 1 of the law.
4. I have the required qualifications and ability to allocate the adequate amount of time to performing my role in the Company. Details of my qualifications are as specified in Section 7 below.
5. I hereby undertake that if a required condition by the law for my service as a director in the Company will cease to exist or any reason will exist for the expiration of my service as a director in the Company, I will notify the Company about this immediately, and my service as a director in the Company will expire on the date of providing notification as mentioned.

6. I hereby undertake to notify the Company, in writing, about any acquisition of Company's securities by me or on my behalf and/or about any change in my holdings of the Company's securities immediately after becoming aware of the change and, in any event, no later than one trading day from the date of the change.

7. My education, experience and knowledge are as follows:

7.1. Education:

High school

Relevant professional experience: **founder of the investment company Essentia Equity, which was initially established as a hedge fund. The company specializes in investments in accordance with the strategy of "value investing" in public and private companies, globally, over the long-term and from a fixed capital base. The company implements the investment strategy by investing in natural resources.**

8. This is my name, this is my signature, and the facts that are detailed in my declaration above are the truth.

[signature]

Signature

0215542211

ID No.:

Roy Sabag

Name

To: **Natural Resources Holdings Ltd.**
(the “Company”)

Re: **Declaration of a Director in a Reporting Corporation**

I the undersigned **Andres Finkielsztain**, Holder of USA Passport Number 502786801, being a candidate to be nominated as a director in the Company, hereby declare, in accordance with Section 224B of the Companies Law, 5759 - 1999, as follows:

1. I have the necessary qualifications and I am able to devote the appropriate amount of time and serving as a director in the Company, with due attention, *inter alia*, to the Company's special requirements and to its size.
2. The relevant details, including details regarding my education and my relevant professional experience, are set forth below:

| | |
|--|--|
| Name (as appears in the Passport) | Andres Finkielsztain |
| I.D. Number / Passport Number | 502786801 |
| Date of Birth | 02 Jan 1973 |
| Address (In Israel) for service of legal documents | |
| Nationality | USA |
| Membership in Board of Directors' committees | None |
| Are you an employee of the Company, its subsidiary, of its Affiliated Company or of a Principal Shareholder therein? | Managing Member of FINK & FINK II LLC |
| The date on which you began to serve as Director in the Company | FINK July 2011 |
| Professional Education | B.A. in Economics from Bard College |
| Occupation in the past five years | Portfolio Manager Soros Brothers Investments LLC |
| Other corporations (including private companies) that he serves | N/A |

| | |
|---|------|
| as a director | |
| Are you relative of another Principal Shareholder or Interested Party of the Company? | N/A |
| Do you have accounting and financial expertise for the purpose of meeting the minimal number established by the board of directors in accordance with Section 92(a)(12) of the Companies Law? | Yes. |

3. In the past 5 years I wasn't convicted in any of the following offenses:
- 3.1 Offenses under the Penal law 5737 - 1977 (the “**Penal Law**”):
 - 3.1.1 Sections 290 to 297 of the Penal Law dealing with bribery offenses;
 - 3.1.2 Section 392 of the Penal Law dealing with theft by an officer;
 - 3.1.3 Section 415 of the Penal Law dealing with obtaining anything by deceit;
 - 3.1.4 Sections 418 to 420 of the Penal Law dealing with forgery of documents, the presentation or issuance of forged document or other use of such document whilst in the knowledge that such document is forged;
 - 3.1.5 Sections 422 to 428 of the Penal Law dealing with inducement by deceit, registering false records in corporate documents, offenses by an officer or employee of a company, concealment of information and the publication of misleading information by senior office holder of the company, deceit and breach of trust towards a company, deceptive concealment, blackmail with use of force and or by means of threats.
 - 3.2 Offenses under the Securities law 5728-1968 (the “**Securities law**”):

- 3.2.1 Section 52C of the Securities Law dealing with the use of inside information by an insider;
 - 3.2.2 Section 52D of the Securities Law dealing with the use of inside information which was originated by an insider;
 - 3.2.3 Section 53(a) of the Securities Law dealing with the contravention of provisions regarding the publication of prospectus containing a misleading detail;
 - 3.2.4 Section 54 of the Securities Law dealing with fraud in connection with securities (fraud includes any action which is intended to wrongly influence trading).
4. In the past 5 years I was not convicted:
 - 4.1 By a court outside Israel of the offenses of bribery, deceit, offenses by managers of a corporation or offenses involving misuse of inside information;
 - 4.2 Of any other offense, that due to the substance, gravity or circumstances of which, a court has found me to be unfit to serve as a director in public company.
5. The Administrative Enforcement Committee did not impose upon me any Means of Enforcement that prohibits my serving as a director in any public company, and the period set by the Administrative Enforcement Committee in the said section has not yet passed.

In this section: **“Means of Enforcement”**; **“Administrative Enforcement Committee”** — as defined in Section 225(b) to the Companies Law.
6. I was never declared bankrupt and I am not legally incompetent.
7. I hereby declare that as long as I serve as a director of the Company, I will report the Company immediately of any change in this declaration.
8. I acknowledge that this declaration will be held at the Company's registered office and will be available for review by any person.

Name: Andres Finkielsztain

Signature: [SIGNATURE]

Date: 12/19/2016

June 11, 2017

For the attention of:

Natural Resource Holdings Ltd.

Declaration of a candidate for reappointment as director pursuant to the provisions of Section 224b of the Companies Law, 5759-1999

Whereas: Natural Resources Holdings Ltd. (“**the Company**”) is a public company, whose shares are traded on the Tel Aviv Stock Exchange Ltd.;

and whereas: Pursuant to the provisions of the Companies Law, 5759- 1999 (“**the law**”), I must provide this Declaration in order to be reappointed as director of the Company;

and whereas: I am aware of the fact that my Declaration will be exhibited in the Company’s Registered Office for public review.

Therefore, I, the undersigned **Eran Mazor**, holder of ID No. **036188043**, after I have been warned that I must say the truth and that by failing to do so, I will be subject to punishment as provided for by the law, declare and undertake the following:

1. The aforementioned declarations constitute an integral part of this declaration.
2. All of the terms of this declaration shall be interpreted as provided for by the law.
3. No restrictions prescribed in Sections 226, 226a and 227 of the law, and nothing detailed in Section 225 of the law apply to me. To the extent that reference is to an independent director - the provisions in Paragraphs (1) and (2) apply to me in respect of the definition of an “independent director” as specified in Section 1 of the law.
4. I have the required qualifications and ability to allocate the adequate amount of time to performing my role in the Company. Details of my qualifications are as specified in Section 7 below.
5. I hereby undertake that if a required condition by the law for my service as a director in the Company will cease to exist or any reason will exist for the expiration of my service as a director in the Company, I will notify the Company about this immediately, and my service as a director in the Company will expire on the date of providing notification as mentioned.
6. I hereby undertake to notify the Company, in writing, about any acquisition of Company’s securities by me or on my behalf and/ or about any change in my holdings

of the Company's securities immediately after becoming aware of the change and, in any event, no later than one trading day from the date of the change.

7. My education, experience and knowledge are as follows:

7.1. Education: **an undergraduate degree in Business Administration - majoring in Accounting, a postgraduate degree in Business Administration - majoring in financing.**

Certified Public Accountant.

7.2. Relevant professional experience:

Holder of a position in a public company. As of October 2012 - CFO Mazlawi Construction Company Ltd., as of April 2012 CEO of Ultra Equity Investments Ltd.; 2010-2012 CFO at Tagor Capital; as of July 2008 - Accounting and Financial Consultant in a private company under my ownership.

Director in an additional company: Bram Industries Ltd. (Chairman of the Board of Directors).

8. This is my name, this is my signature, and the facts that are detailed in my declaration above are the truth.

[signature]

Signature

036188043

ID No.:

Eran Mazor

Name

Appendix B to the report

Written Vote

Pursuant to the Companies Regulations (Written Vote and Position Papers), 5766 - 2005 (The “Regulations”)

Part One

1. **Name of the Company**

Natural Resource Holdings Ltd.

2. **Type of General Assembly, date and location of the meeting**

Annual General Assembly of the shareholders.

The General Assembly will convene on Monday, July 2, 2017 at 11:30 at the law offices of Zitvar, Galor & Co. Law Offices, 7 Menachem Begin Road, Ramat Gan. If it is required to reschedule, the assembly will convene a week later, on Monday, July 24, 2017 at the same location and at the same time.

3. **A list of the topics on the agenda for which voting is possible via a Written Vote**

3.1. **Appointment of directors**

Text of the proposed resolution: After each of the gentlemen detailed below has declared that they have the required skills and ability to devote the appropriate amount of time to fulfilling their role as Company Director, has detailed the aforementioned skills, and has declared that the restrictions provided for in Sections 226 and 227 of the Companies Law, 5759 -1999 (“**the Companies Law**”) do not apply to them, we propose to appoint the directors detailed in this resolution as follows:

3.1.1. To re-appoint Mr. Roy Sabag (Chairman of the Board), who serves as member of the Company’s Board of Directors at the time of this resolution;

3.1.2. To re-appoint Eran Mazor, who serves as member of the Company’s Board of Directors at the time of this resolution;

3.1.3. To appoint Mr. Andres Finkielsztain as Director of the Company.

A separate vote will be organized regarding each of the candidates to serve on the Board of Directors.

The aforementioned Declarations are attached in **Appendix A** to this report.

For the record, it should be noted that the extension of Mrs. Vered Mor Porat's tenure as member of the Company's Board of Directors is not on the agenda and, therefore, Mrs. Mor Porat's tenure as member of the Company's Board of Directors will terminate on the date of the General Assembly.

It should be clarified that Mr. Eran Mazor is not entitled to receive remuneration in respect of his position as Director of the Company, beyond the salary paid to him in respect of his position as CFO and Company Secretary. It should also be clarified that Mr. Roy Sabag is not entitled to receive remuneration in respect of his position as CEO, director and Chairman of the Company's Board of Directors.

As Director of the Company, Mr. Finkielsztain shall be entitled to an annual remuneration and participation at the rate of the fixed amounts specified in the Second and Third Addenda to the Companies Regulations (Rules for Remuneration and Expenses for an External Director, 5760-2000 (hereinafter: "**Remuneration Regulations**").

For details required under Regulation 26 of the Security Regulations (Periodic and Ad hoc reports), 5730-1970. Regarding Roy Sabag and Eran Mazor, whose reappointment is on the agenda, please see the Company's Periodic Report for 2016, (2017-01-034758) which was published on March 31, 2017, (Reference: 1970) This reference constitutes a part of the reference included in the information on this matter in the said periodic report. To the best of the Company's knowledge, there have been no changes in the details of said directors listed in the Company's periodic report for 2016.

Below are the details required under Regulation 26 of the Reporting Regulations concerning Mr. Andres Finkielsztain, whose appointment is proposed:

Andres Finkielsztain

Director's name :

| | |
|---|---|
| Passport number: | 502786801 |
| Date of birth | January 2, 1973 |
| Address for service of court documents: | Julian Alvarez 2870 piso 6C, Buenos Aires, CP1425 Argentina |
| Citizenship : | United States |
| Membership in a committee or Board committees: | NONE |
| External Director | No |
| Is he an employee of the Company, their subsidiary, affiliate, or of a party having an interest in them:¹ | ¹ No |
| Start date of his service on the Board of Directors | |
| Education: | Economics graduate - Bard College |
| Occupation during the last five years: | Director of Client portfolios in Soros Brothers Investments LLC. |
| Corporations in which he serves as Director: | FINK & FINK II LLC |
| To the best of the Company's knowledge and that of their Directors, is he a relative of another interested party in the Company: | No |
| Is he a Director that the Company considers to be an accounting and financial expert, for the purposes of complying with the minimal number determined by the Board of Directors, pursuant to Section 92(a) (12) of the Companies Law: | |
| Is he an independent director: | No |
| Is he an expert external director: | No |

3.2. Appointing Auditors for 2017

Text of the proposed resolution: To renew the appointment of the serving auditors: Strauss, Lazar and Partners Accountants as the Company's auditors for an additional auditing period, until the next annual general assembly.

¹ In this context, it should be noted that, to the best of the Company's knowledge, Mr. Finkielsztain is employed by Soros Brothers Investments, LLC which is a fund that was founded by Mr. George Soros (hereinafter: "**the Soros Foundation**"). Inter alia, the Soros Foundation deals in various investments and from time to time during the past years, inter alia, has invested, in various business ventures in which the controlling shareholder in the Company has also made an investment. In February 2013, the Soros Foundation also invested in the Goldmoney Inc, a public Company traded in Canada which is under control of the Company's controlling shareholder. The Soros Foundation holds less than 3% of the share capital of Goldmoney Inc.

In addition, a report will be provided about the auditor's fees (including for additional services) pursuant to the provisions of Sections 165(b) and 167(b) of the Companies Law.

3.3. **Approval of the Company's engagement in a transaction in which the controlling shareholder has a personal interest**

Background

- 3.1.1. The Company is lacking financial resources and is in need of financial resources for the purpose of financing their current operations.
- 3.1.2. In 2014 and 2015 the controlling shareholder provided financing for the company by means of a loan that was converted into shares of the Company (see Paragraph of this report below).
- 3.1.3. At the beginning of 2017, the Company raised 1 million NIS from a foreign company, and the amount finances their current operations. With the exception of this raising, the Company has no other options to get funded, other than the one upheld by their controlling shareholder. The controlling shareholder has expressed willingness to extend a \$400,000 credit line to the company, for the purpose of financing regular operations for the next two years and against an allocation of Company shares.

The transaction is being raised for the Assembly's approval

- 3.1.4. To receive a credit line in the amount of \$400,000 from the controlling shareholder (hereinafter: "**credit line**"), which will be used for the Company's current operations, as necessary. A Credit Line will be provided for the Company's use, from time to time, in accordance with their current needs, subject to a decision made by the CEO of the Company.
- 3.1.5. The credit line will be linked to the dollar and will not bear any interest whatsoever. The Credit Line will be available for the Company's use for a period of up to two years from the date of the general assembly's approval of the transaction.

- 3.1.6. The controlling shareholder will not be permitted to demand the repayment of the balance of the Credit Line as it will be from time to time (or part of it), unless when the Company is convinced that after paying the balance of the Credit Line whose repayment was requested, this will not impair the Company's ability to repay all their known and expected liabilities (during ordinary business) for a period of at least 12 months.
- 3.1.7. The controlling shareholder shall be entitled upon repaying the balance of the credit line (as it shall be from time to time or any part thereof), that the Company shall allocate shares to the controlling shareholder, at a conversion rate of NIS 0.83 per share. It should be clarified in this context that the Company will allocate to the controlling shareholder the shares to which they are entitled and they will be listed for trading in 2 phases. Accordingly, the Company will not be required to refer to the Securities Stock Exchange with more than two requests for listing for the trading of the balance of the shares to which the controlling shareholder is entitled following use of the credit line.
- 3.1.8. For the purpose of calculating the exchange rate, every amount in dollars placed by the controlling shareholder shall be calculated in accordance with a representative dollar exchange rate that will be known on the date on which the Board of Directors made the decision to approve the transaction (April 26, 2017), and which stood at 3.648 NIS per dollar.
- 3.1.9. In the event of a complete use of the Credit Line by the Company (\$400,000), and considering the representative dollar exchange rate as detailed above (3.648 NIS), the maximum amount of shares that can be allocated to the controlling shareholder of the Company in connection to the aforesaid Credit Line is of 1,758,072 ordinary shares of the Company.
- 3.1.10. If the controlling shareholder assigns their rights of repayment of the Credit Line to others, they shall be permitted to assign their rights to receive shares in allocations for the repayment of the Credit Line, as mentioned.

In this context, it should be noted that the Company's controlling shareholder that serves as Chairman of the Board and CEO of the Company does not receive a salary from the Company.

3.4. **The Private offer**

3.4.1. The offeree of the private offer and the facts which make them an interested party.

With the payment of the balance of the Credit Line, as it will be from time to time (or any part thereof), the Company shall allocate shares to Mr. Roy Sabag, the controlling shareholder in the Company (hereinafter also: "**the Offeree**") at a conversion rate of 0.83 NIS per share.

For the purpose of calculating the exchange rate, every amount in dollars placed by the controlling shareholder will be calculated in accordance with the known representative dollar exchange rate on the date the Board of Directors resolution to approve the transaction (April 26, 2017), namely at a rate of 3.648 NIS per dollar.

In the event of a complete usage of the Credit Line by the Company (\$400,000), and in accordance with the representative US dollar exchange rate as detailed above (3.648 NIS), the maximum amount of shares that can be allocated to the controlling shareholder of the Company in connection to the aforesaid Credit Line is of 1,758,072 ordinary shares of the Company.

The Offeree in the private offer is Mr. Roy Sabag, controlling shareholder in the Company, Chairman of the Board and CEO of the Company. Mr. Sabag is an interested party (as defined by the Companies Law) in his present position in the Company and in his present holdings of shares in the Company, as detailed in the section below of the Ad hoc report.

3.4.2. **Terms of the securities offered and the date of their allocation**

Subject to the approval from the general assembly and to the approval of the stock exchange for listing the allocated trading shares, the Company shall allocate to Mr. Sabag up to 1,758,072 Company ordinary shares at a set value of 0.01 NIS each (hereinafter: "**the Allocated Shares**"). As mentioned in Section 3.1.7 above, the Allocated Shares will be allocated to the controlling shareholder in two phases only.

The Allocated Shares constitute approximately 12.9% of the issued and paid-up capital and of the voting rights before the allocation, and approximately 12.72% of the issued and paid-up capital and of the voting rights on a fully diluted basis. Following the full allocation as per this report, the shares allocated to the controlling shareholder will constitute approximately 11.43% of the Company's issued and paid-up share capital and of the voting rights therein, and 11.28% of the issued and paid-up share capital and of the voting rights on a fully diluted basis. For details regarding the Offeree's holdings before and after the Private Offer, see section below.

3.4.3. **In exchange for the Allocated Shares**

3.4.3.1. The Allocated Shares shall be allocated to the controlling shareholder with the payment of the Credit Line. The conversion will be made in accordance with the exchange rate of 0.83 NIS per share.

3.4.3.2. The Allocated Shares will be equal in their rights to the ordinary shares that exist in the Company's capital, and bear all dividends or other benefits, after the determining date of the right to receive them starts, on their allocation date, or after it.

3.4.3.3. The Allocated Shares will be allocated subject to the fulfillment of the conditions hereunder. As stated in the section above, they will be listed for trade on the Stock Exchange immediately after their allocation. The shares will be registered under the name of the nominee company, in compliance with the Stock Exchange Regulations.

3.4.3.4. The Allocated Shares will be blocked in accordance with the provisions of the law on the matter of blocking, please see section hereunder of the Ad hoc report.

4. **The place and times during which the full text of the proposed resolutions may be reviewed**

The Ad hoc report published by the Company on the convening of the assembly and the full text of the proposed resolutions may be reviewed, subject to advance planning, at the offices of the Company's law firm, Zitvar, Galor & Co. Attorneys at Law, 7 Menachem Begin Road, Ramat Gan, Sundays through Thursdays during regular business hours. These documents may also be reviewed on the website (distribution site) of the Securities Authority, at the address www.magna.isa.gov.il.

5. **The majority required for making decisions at the general assembly on matters regarding the agenda**

The majority required for approval of the resolution proposals in Sections 3.1 and 3.2 is a simple majority of the votes of the shareholders present at the meeting which have the right to vote and have exercised it therein, without taking into account abstentions.

The general assembly has the right to approve the engagement with the controlling shareholder and the private offer to the controlling shareholder, as mentioned in Section 3.3 of this report, by a decision to be made with a majority vote of those present at the meeting which have the right to vote, in the following conditions:

- A. A majority vote in the general assembly shall include the majority of votes from shareholders who are not interested parties in the approval of the engagement and that are present during the voting; In counting the votes of the said shareholders, the abstaining votes shall not be taken into account;
- B. The total opposing votes from the shareholders mentioned in sub-paragraph (a) shall not exceed two percent (2%) of the overall rights to vote in the Company.

6. With regard to voting on matters on the agenda detailed in Section 3 above, it shall be noted as follows:

In part B of this written vote there is a place designating the existence or absence of an affiliation, as required pursuant to the provisions of the Companies Law, 5759-1999 (hereinafter: “**the Companies Law**”) and for describing the scope of the affiliation. It should be clarified that the vote from a person that did not check the existence or absence of such affiliation or did not describe the nature of the affiliation shall not be included in the vote count.

7. The written vote shall only be valid if the following documents have been attached thereto and it has been delivered to the Company (including via registered mail) as follows:

An unregistered shareholder (i.e., a person to whom shares are registered with a stock exchange member and those shares are included among the shares registered in the registry of shareholders under the name of the company for registry) - is required to provide the Company with a certificate of ownership, including through the electronic voting system, up to 4 hours before the time of the meeting.

A shareholder who is not registered is entitled to vote via the electronic voting system.

A registered shareholder: (i.e. a shareholder registered in the Company's shareholders register) - is required to provide a photocopy of an identity card, passport or certificate of incorporation.

A written vote not presented in accordance with this section shall be deemed invalid.

8. The date of closing the electronic voting system

The proxy statement will be issued to the Company by the time the electronic voting system is closed at 05:30 a.m. on July 17, 2017 or at an earlier date, as determined by the Securities Authority in accordance with the provisions of the regulations.

9. The address of the Company for delivering written votes and position papers

Natural Resources Holdings Ltd., c/o Zitvar, Galor & Co. Attorneys at Law, 7 Menachem Begin Road, Ramat Gan.

10. The final date for delivery of position papers to the Company

The final date for delivery of position papers (as defined in Section 88 of the Companies Law) is with 10 days prior to the date of convening the Assembly, namely before July 7, 2017.

11. The address of the distribution site of the Israel Securities Authority and the website of the Stock Exchange where the written votes and position papers are available

11.1 The Securities Authority distribution website: www.magna.isa.co.il

11.2 The website of the Tel-Aviv Stock Exchange Ltd. <http://maya.tase.co.il>

12. An unregistered shareholder is entitled to receive confirmation of ownership at the exchange member's office or by mail, if they so request. A request regarding this matter will be made in advance to a particular securities account. An unregistered shareholder is entitled to instruct that their certificate of ownership be transferred to the Company via the electronic voting system.

13. A stock exchange member shall send, free of charge and by e-mail, a link to the text of the proxy statement and of the position notices via the distribution site of the Securities Authority to any shareholder that is not registered in the register of shareholders and whose shares are registered with that member of the stock

exchange, unless such shareholder said they are not interested in such communications or wish that they receive such communications by regular mail, against a fee. The shareholder's notice regarding the proxy statements shall also apply to the matter of receiving position notices.

14. One or more shareholders holding shares at a rate constituting five percent or more of the total voting rights in the Company on the determining date, and whoever holds such percentage out of the total voting rights which is not held by the controlling shareholder of the Company as defined in Section 268 of the Companies Law have the right to review the written votes as specified in Regulation 10 of the regulations.

The number of shares constituting 5% of the total voting rights in the Company: 681,023 ordinary shares with a nominal value of 1 NIS each.

The number of shares constituting 5% of the total voting rights in the Company which are not held by the controlling shareholder: 314,949 ordinary shares with a nominal value of 1 NIS each.

15. Request to include a topic on the agenda of the meeting

An application made by a shareholder under Section 66 (b) of the Companies Law to include a topic on the agenda of a general assembly shall be presented to the Company up to seven days after the convening of the meeting.

16. Changes to the written vote

- 16.1. After the publication of the written vote, there may be amendments to the agenda, including the addition of a topic to the agenda, or position papers may be published. The updates on the agenda and position papers which were published can be reviewed in the Company's reports on the distribution website.

- 16.2. The last date on which the Company can deliver an amended written vote, to the extent that this is required as detailed above falls under the provisions stipulated at the end of Regulation 4 (b) of the Regulations.

17. A shareholder must specify the manner of their vote on the topic on the agenda in the second part of their written vote.

Written vote - Part Two

Name of the Company: Natural Resource Holdings Ltd.

The address of the company (for delivery and mailing of written votes): C/O Zitvar,
Galor & Co. Law Offices, 7 Menachem Begin Road, Ramat Gan.

Company' number: 520041526

Date of Meeting: July 17, 2017

Type of Meeting: "Annual General Assembly"

The determined date: June 17, 2017

(To this point, to be completed by the Company).

Details of the shareholder

Name of shareholder: _____

ID No.: _____

If the shareholder does not have an Israeli identity card

Passport number: _____

Country where issued: _____

Valid until: _____

If the shareholder is a corporation

Corporation Number: _____

Country of Incorporation: _____

The manner of voting

| Regarding the approval of a transaction pursuant to Sections 255 and 275 of the Companies Law - do you have a personal interest in the decision ² | | | The manner of voting ¹ | | The topic number on the agenda |
|--|------|-----------|-----------------------------------|-----|---|
| No | Yes* | Abstained | No | Yes | |
| Irrelevant | | | | | 3.1 Appointment of directors: |
| | | | | | 3.1.1 Roy Sabag |
| | | | | | 3.1.2 Eran Mazor |
| | | | | | 3.1.3 Andres Finkielsztain |
| Irrelevant | | | Irrelevant | | 3.2 Appointment of auditors for 2017 |
| | | | Irrelevant | | 3.3 and 3.4 Engagement with the controlling shareholder and an extraordinary private offer |

Date: _____

Signature: _____

* Details

A shareholder that has indicated that they are a controlling shareholder or someone acting on their behalf shall describe the nature of the affiliation:

For shareholders who hold shares via a stock exchange member (pursuant to Section 177 (1) of the Companies Law - this written vote is only valid with the attached confirmation of ownership, except in cases where the vote is online.

For shareholders who are registered in the Company's register of shareholders - the written vote is valid along with a photocopy of the identity card/ passport/ certificate of incorporation.

¹ Non-marking shall be considered as abstaining from voting on that topic.

² The vote of a shareholder that does not check this column or that marks signs "yes" and fails to give details shall not be counted