

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (Memorandum) is made on 15th day of June 2020

PARTIES

- 1 Jindrich Kynicky of Namesti Karla IV. 6, 628 00 Brno, Czech Republic, (further referred to as JK)
- 2 Jan Kynický Blatná of 173 Vojkovice 667 01 Czech Republic (further referred to as KJ)
- 3 Fine Minerals International LLC, located at 11 Progress Street, Edison NJ, 08820 USA referred to further as "FMI", and represented by Daniel Trinchillo (further referred to as DT)

RECITALS

- (A) JK & KJ are specialising in prospecting, mining, pocket discovery, extraction and other related mining work.
- (B) JK & KJ work together and own shares in Grand Top Gemstones Company Limited, in conjunction also with OPEN GEMSTONES COMPANY LTD of and other parties on a project of prospecting and mining for gemstones at Merelani Block 'D', in Simanjiro District, QDS 72/1 Tanzania referred to herein as the "Project."
- (C) FMI wants to invest in the Project through JK & KJ, directly to Grand Top Gemstones as a silent partner.

THE PARTIES AGREE:

1. Introduction

- 1.1. *Negotiation of formal agreements:* During the term of this Memorandum the parties shall negotiate in good faith formal agreements with each other and with third parties (the **Formal Agreements**).
- 1.2. *Supersession:* The Formal Agreements once duly approved and executed shall supersede this Memorandum.

2. **Subject matter**

2.1. *Basic principles:* The basic principles to be included in the Formal Agreements include the provisions specified in this Memorandum along with such other matters as may be agreed in order to conclude the Formal Agreements.

3. **Investment**

3.1. FMI shall provide an investment of \$500,000 referred to herein as the minimum "Investment."

3.2. The Investment shall be payable in three instalments as follows - \$200,000 USD within 10 days of the execution of this MOU. Another two instalments of \$150,000 each, at a time within one year of the date of execution of this agreement to be determined and agreed on by the parties. Payments can be made to the parties directly, to Grand Top Gemstones or any of the shareholders thereof.

3.3. The Investment shall be used solely within the Project as Capital Expenditure and fully at JK & KJ's full discretion.

4. **Share of profit and loss**

4.1. FMI shall receive profit from the sale of the gemstones in accordance with this Memorandum in the rate of 50% of the profit received by JK & KJ, herein referred to as the "Profit."

4.2. FMI acknowledges that the Project is considered high risk and that no profit may be generated by the Project, whether but not exclusively as a result that no gemstones are discovered or extracted, or that no gemstones are able to be sold, or as a result of force majeure.

4.3. Nothing in this Memorandum constitutes a guarantee of JK & KJ that Profit will be paid in cases of 4.2. above.

4.4. FMI acknowledges that it shall be responsible for any loss incurred within the Project up to and limited strictly to, the amount of the Investment, and not more.

4.5. Nothing in this Memorandum constitutes an obligation of FMI to pay for any loss over the amount of the Investment.

5. **Rights and Obligations of FMI**

5.1. FMI shall not participate on the Project.

- 5.2. FMI shall not (without the prior written permission of the other parties) enter or seek to enter into negotiations or discussions with another person or entity for participation in the Project.

6. Rights and Obligations of JK & KJ

- 6.1. JK & KJ will use all of its resources to make the Project a success.
- 6.2. JK & KJ will not use any of the funds related to the Investment for personal expenditure nor for any other project than the one that is the subject of this agreement; namely the Merelani Block 'D', in Simanjiro District, QDS 72/1 Tanzania.
- 6.3. JK & KJ will hold harmless FMI, its investors, owners, heirs and assigns, and waives all rights to claims to FMI, for any losses incurred in excess of the Investment amount; or for any liabilities of any nature whatsoever, created as an outcome of the execution and implementation of the Project.

7. Confidentiality

- 7.1. *Confidentiality:* Each party agrees that for a period of 3 years from the date of disclosure it will treat the other party's information marked 'confidential' or which from its very nature is obviously confidential (including all material relating to or constituting the Partner Intellectual Property) with the same degree of care as it employs with regard to its own confidential information of a like nature and in any event in accordance with best current commercial security practices.
- 7.2. *No intentional disclosure:* Neither party will intentionally disclose the other's confidential information to third parties other than those of its employees, consultants and sub-contractors who need to have such information for the purposes of this Memorandum, and shall ensure that such recipients shall be bound by the same confidentiality obligations as are set out in this clause.

8. Publicity

- 8.1. Neither party shall make any public disclosures regarding this Memorandum or its subject matter without the prior written consent of the other.

9. **Waiver**

9.1. FMI hereby acknowledges that JK & KJ shall be responsible for the work done on the gemstones' discovery, extraction, and sale but not for the bookkeeping or asset management of Grand Top Gemstones Company Limited or the Investment.

9.2. FMI will hold harmless JK & KJ for any errors or loss or abuse of the Investment or Profit whether by a third party or other people involved at the Project.

10. **Binding Memorandum**

10.1. Unless and until the Formal Agreements are approved and executed between the parties then this Memorandum is intended to and shall create legal obligations between the parties.

11. **Term**

11.1. This Memorandum shall continue in force until signature of the Formal Agreements or such other date as the parties may otherwise agree, in writing and signed by all parties.

12. **Immediate termination for breach**

12.1. Either party may terminate this Memorandum by notice in writing with immediate effect if the other party is in material breach of any of the terms of this Memorandum and such breach remains unremedied 14 days after receipt of notice from the terminating party that the other party is in breach.

13. **Force majeure**

13.1. Neither party shall have any liability under or be deemed to be in breach of this Memorandum for any delays or failures in performance of this Memorandum which result from circumstances beyond the reasonable control of that party.

14. **Miscellaneous**

14.1. **Assignment**

14.1.1. This Memorandum is personal to the parties and, subject to clause below, neither this Memorandum nor any rights, licences or obligations

under it, may be assigned by either party without the prior written approval of the other party.

- 14.1.2. Notwithstanding the foregoing, either party may assign this Memorandum to any acquirer of all or of substantially all of such party's equity securities, assets or business relating to the subject matter of this Memorandum or to any entity controlled by, that controls, or is under common control with a party to this Memorandum. Any attempted assignment in violation of this clause will be void and without effect.

14.2. **Entire agreement**

This Memorandum embodies the entire understanding and agreement between the parties in connection with the subject matter of this Memorandum and neither party is relying on any representations, promises, terms, conditions or obligations oral or written express or implied other than those contained in this Memorandum. Neither party seeks to exclude liability for fraudulent or grossly negligent misrepresentation.

14.3. **Waiver**

No delay, neglect or forbearance on the part of either party in enforcing against the other party any term or condition of this Memorandum shall either be or be deemed to be a waiver or in any way prejudice any right of that party under this Memorandum. No right, power or remedy in this Memorandum conferred upon or reserved for either party is exclusive of any other right, power or remedy available to that party.

14.4. **Amendment**

This Memorandum may not be released, discharged, supplemented, interpreted, amended, varied or modified in any manner except by an instrument in writing signed by a duly authorised officer or representative of each of the parties.

14.5. **Headings**

The clause headings in this Memorandum are for reference purposes only and are not intended to be taken into account when interpreting the clauses.

15. Notices

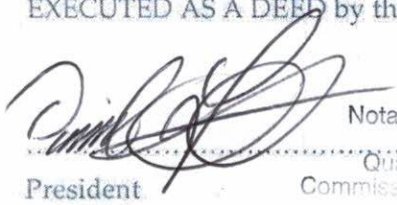
15.1. All notices under this Memorandum shall be in writing.

16. Proper law and jurisdiction

16.1. This Memorandum and all matters arising from it and any dispute resolutions referred to below shall be governed by and construed in accordance with United States law notwithstanding the conflict of law provisions and other mandatory legal provisions. Jurisdiction for all cases of dispute or arbitration shall be the state of New York, in the United States.

16.2. The parties irrevocably submit to the exclusive jurisdiction of the courts of New York, in the United States for the purposes of hearing and determining any dispute arising out of this Memorandum.

EXECUTED AS A DEED by the parties:



MARISA L. CHUNG
Notary Public, State of New York
No. 01CH6018769
Qualified in New York County
Commission Expires January 19th, 2023

26/08/2020

President

DATE

DANIEL TRINCHILLO

Fine Minerals International LLC



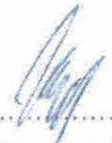
Mgr. Jindřich Kynický
Director of Development
Blatná 173, 667 01 Vojkovice
Česká republika
IČO: 266 83 775

21.08.2020

DATE

JINDRICH KYNICKY

Top Minerals



Ing. Jan Kynický
Blatná 173
667 01 Vojkovice
DIČ: CZ8503174207

20.08.2020

DATE

JAN KYNICKY

Top Minerals