

## MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (Memorandum) is made on this <sup>30<sup>th</sup></sup> day of July, 2020

### PARTIES

1. GRAND TOP GEMSTONES COMPANY LIMITED whose address is P.O. Box 11336 Arusha Tanzania (the GT)
2. RAHIM HASSAN MASSAWE whose address is P.O. Box 8160 Arusha, Tanzania (the Partner)
3. OPEN GEMSTONES COMPANY LIMITED whose address P.O. Box 11336 Arusha, Tanzania (the OG)

### RECITALS

- A. The GT is a company specializing in prospecting, mining, pocket discovery, extractions and other related works.
- B. Partner is holder of Primary Mining License 0002579 dated 3<sup>rd</sup> March 2015 issued by the United Republic of Tanzania Ministry of Energy and Minerals (the License) to prospect and mine for Gemstone, at Mererani Block 'D', in Simanjiro District, QDS 72/1 (the Territory).
- C. The parties wish to work together to jointly explore the Territory under the License with prospects of mining and selling the Gemstones.

### THE PARTIES AGREE:

#### 1. Introduction

- 1.1. *Joint venture:* This Memorandum records in outline the basic principles that the parties have provisionally agreed, subject to contract, for the GT and the Partner to finalize their participation in a venture (the Joint Venture) in order to explore the Territory under the License with prospects of mining and selling the Gemstones.
- 1.2. *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).
- 1.3. *Supersession:* The Formal Agreements once duly approved and executed shall supersede this Memorandum.

I, ERICK BALTHAZAR KIMARO  
Do hereby Certify that the foregoing is a  
true copy of the original.  
Signature: [Signature] Date: 30/07/2020  
Advocate, Notary Public &

[Handwritten Signature]

5. **Undertaking not to negotiate with others**

5.1. Each party undertakes that until execution of formal agreements it 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 a joint venture as that described in this Memorandum.

6. **Confidentiality**

6.1. *Confidentiality:* Each party undertakes 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.

6.2. *No intentional disclosure:* Neither party will intentionally disclose the other's confidential information to third parties other than those of its employees, consultants and subcontractors 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.

6.3. *Exclusions:* The undertaking in clause 4.2 above does not extend to information which was already known to one party prior to disclosure by the other, which is or becomes public knowledge, or which is disclosed by one party to a third party without any obligations of confidentiality.

7. **Publicity**

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

8. **Binding Memorandum**

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

I, ERICK BALTHAZAR RIMARO  
Do hereby Certify that the foregoing is a  
true copy of the original  
Signature: *[Signature]* Date: *07/01/2020*  
Advocate, Notary Public &  
Commissioner For Oaths

*Johb hrr*

*[Signature]*

9. Expenses and profit sharing

- 9.1. The parties shall be responsible for the costs in relation to all matters arising out of this Memorandum in the rate as follow:
- 9.1.1. The GT shall bear in full its own costs and 50% of the costs of the Partner, the incurrence of which was approved by GT in advance.
- 9.1.2. The Partner shall bear 50% of its costs.
- 9.2. Hereby it is agreed that the GT shall recover in full all the costs paid in accordance with Article 9.1 above from the sale of the Gemstones prior to redistribution of the profit from the sale of the Gemstones as per Article 9.3 below.
- 9.3. The parties shall share the profit from the sale of the Gemstones in accordance with this Memorandum in the rate as follow:
- 9.3.1. The GT shall keep 40% of the profit,
- 9.3.2. The Partner shall keep 50% of the profit,
- 9.3.3. The OG shall keep 10% of the profit.
- 9.4. The payment of 10% out of the profit as per Article 9.3.3 above is subject to the OG securing successful operation and realization of the mining of the Gemstones as per this Memorandum and facilitating export of the cut Gemstones from Tanzania.
- 9.5. Hereby the parties covenant to establish an approval and controlling procedure of the costs to be incurred in advance on yearly basis or in times as may be agreed between the parties from time to time.

10. Term

- 10.1. This Memorandum shall continue in force for Five (5) years or until signature of the Formal Agreements or such other date as the parties may otherwise agree.

11. Immediate termination for breach

- 11.1. 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.

I, ERICK BALTHAZAR KIMARO  
Do hereby Certify that the foregoing is a  
true copy of the original  
Signature: *[Signature]* Date: *07/01/2020*  
Advocate, Notary Public &  
Commissioner For Oaths

*Jahab hm*

*[Signature]*

12. Force majeure

12.1. 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.

13. Miscellaneous

13.1. Assignment

13.1.1. This Memorandum is personal to the parties and, subject to clause below, neither this Memorandum nor any rights, licenses or obligations under it, may be assigned by either party without the prior written approval of the other party.

13.1.2. 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.

13.2. 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.

13.3. 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.

I, ERICK BALTHAZAR KIMARO  
Do hereby Certify that the foregoing is a  
true copy of the original  
Signature: *[Signature]* Date: *27th Dec 2020*  
Advocate, Notary Public &  
Commissioner For Oaths

*Jahb Kim*

*[Signature]*

13.4. 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 authorized officer or representative of each of the parties

13.5. 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.

14. Notices

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

15. Proper law and jurisdiction

15.1. This Memorandum and all matters arising from it and any dispute resolutions referred to below shall be governed by and construed in accordance with English law notwithstanding the conflict of law provisions and other mandatory legal provisions.

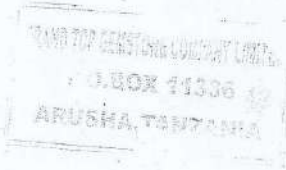
15.2. The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales for the purposes of hearing and determining any dispute arising out of this Memorandum.

EXECUTED AS A DEED by the parties

*Jakob hnr* .....

Signed by JAKOB HOYER

on behalf of GRAND TOP GEMSTONES COMPANY LIMITED



BEFORE ME:

Name *ERICK BALTHAZAR KIMARO* .....

Address *1712 ARUSHA* .....

Signature *[Signature]* .....

ERICK BALTHAZAR KIMARO  
P.O. Box 1712 - Arusha Tanzania  
Advocate, Notary Public &  
Commissioner For Oaths

Qualification: ADVOCATE/NOTARY PUBLIC/COMMISSIONER FOR OATHS

I, ERICK BALTHAZAR KIMARO  
Do hereby Certify that the foregoing is a  
true copy of the original  
Signature *[Signature]* Date *01/08/2020*  
Advocate, Notary Public &  
Commissioner For Oaths

*Jakob hnr* *[Signature]*

*[Handwritten signature]*

Signed by RAHIM HASSAN MASSAWE

BEFORE ME:

NAME *ERICK BALTHAZAR KIMARO*

ADDRESS *1712 ARUSHA*

SIGNATURE *[Signature]*

ERICK BALTHAZAR KIMARO

P.O.Box 1712 - Arusha Tanzania

Advocate, Notary Public & Commissioner For Oaths

QUALIFICATION: ADVOCATE/NOTARY PUBLIC/COMMISSIONER FOR OATHS

*Jakob Hoyer*

Signed by JAKOB HOYER

on behalf of OPEN GEMSTONES COMPANY LIMITED

OPEN GEMSTONES COMPANY LIMITED  
TIN NO. 133 - 166 - 947  
P.O. BOX 11336  
ARUSHA

BEFORE ME:

Name *ERICK BALTHAZAR KIMARO*

Address *1712 ARUSHA*

Signature *[Signature]*

ERICK BALTHAZAR KIMARO

P.O.Box 1712 - Arusha Tanzania

Advocate, Notary Public & Commissioner For Oaths

Qualification: ADVOCATE/NOTARY PUBLIC/COMMISSIONER FOR OATHS

I, ERICK BALTHAZAR KIMARO  
Do hereby Certify that the foregoing is a true copy of the original  
Signature: *[Signature]* Date: *[Date]*  
Advocate, Notary Public & Commissioner For Oaths

*Jakob Hoyer*

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF ENERGY AND MINERALS

THE MINING (MINERAL RIGHTS) REGULATIONS, 2010  
RENEWAL OF PRIMARY MINING LICENCE 0002579

*The Mining Act, 2010*

I, Alex A. Magayane, the Zonal Mines Officer for Northern, pursuant to the powers conferred upon me under Section 56(2) of the Mining Act, 2010 hereby renew the Primary mining License 0002579 granted to M/S Rahim Hassan Massawe of P.O. Box 8160 Arusha, Tanzania (hereinafter called the Licensee), to prospect and mine for Gemstones, for a period of seven years (7) effective from 18<sup>th</sup> January, 2015.

The description of the renewed Primary Mining License is provided overleaf.

This license is being renewed under the same terms and conditions of Primary Mining License No. 0002579.

Signed this 03<sup>rd</sup> day of March 2015



I, ERICK BALTHAZAR KIMARO Alex A. Magayane  
Do hereby Certify that the foregoing is a true copy of the original  
Signature: [Signature] Date: 04/03/2015  
NORTHERN ZONE

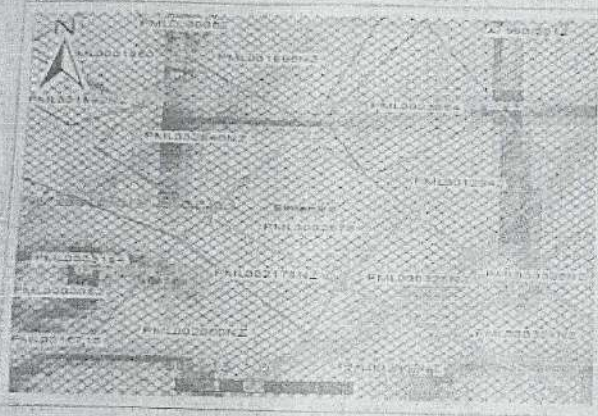
Advocate, Notary Public &  
Commissioner For Oaths

ANNEX A

DESCRIPTION OF THE PRIMARY MINING LICENCE AREA

The Primary Mining Licence is at Merelani Block 'D' in Simanjiro District, QDS 72/1 defined by the following corner co-ordinates (Arc 1960):

Corner	Latitude	Longitude
1	- 03 deg. 32 min. 54.09 sec.	37 deg. 02 min. 15.30 sec.
2	- 03 deg. 32 min. 52.81 sec.	37 deg. 02 min. 16.33 sec.
3	- 03 deg. 32 min. 53.96 sec.	37 deg. 02 min. 17.59 sec.
4	- 03 deg. 32 min. 55.21 sec.	37 deg. 02 min. 16.80 sec.



Legend	
Licensed area	
License Number	PML0002579
District	Simanjiro
Direction	

An area of approximately 0.29 Hectares.

ANNUAL RENT PAYMENTS

ERV	Amount (TShs.)	Date	Signature & Stamp
0290079	160,000/-	08/01/2016	
8113955	160,000/-	08/01/2016	
10779325	160,000/-	27/11/2016	
18621722	160,000/-	05/02/2018	
25324027	180,000/-	10/09/2018	
200310000000	160,000/-	18/05/2018	

I, ERICK BALTHAZAR KIMARO  
 Do hereby Certify that the foregoing is a  
 true copy of the original  
 Signature: Date:   
 Advocate, Notary Public &  
 Commissioner For Oaths

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF ENERGY AND MINERALS

THE MINING (MINERAL RIGHTS) REGULATIONS, 2010

PRIMARY MINING LICENCE 002846NZ

*The Mining Act, 2010*

The exclusive right, subject to the provisions of the Mining Act, 2010 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof is hereby granted to **M/S Rahim H. Massawe** of P.O. Box 8160, Arusha, Tanzania (hereinafter called the Licensee) to prospect and mine for Gemstones, at Merelani Block 'D', in Simanjiro District, QDS 727 over an area described in Annex A.

This Licence, unless sooner cancelled, suspended or surrendered pursuant to the provisions of the Mining Act, 2010, shall be valid for a period of seven (7) years, effective from the date of grant.

Granted this 30<sup>th</sup> day of January 2015



Alex A. Maguyane  
ZONAL MINES OFFICER  
NORTHERN ZONE

I, ERICK BALTHAZAR KIMARO

Do hereby Certify that the foregoing is a  
true copy of the original.

Signature:  Date: 30/1/2015

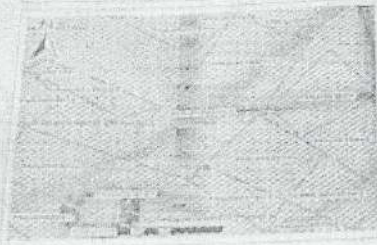
Advocate, Notary Public &  
Commissioner For Oaths

ANNEX A

DESCRIPTION OF THE PRIMARY MINING LICENCE AREA

The Primary Mining Licence is in Merchaun Block 'D' in Simonsville District, 0555 721 defined by the following corner coordinates (m):

Corner	Coordinates (m)	Length (m)	Bearing
1	1000 00 00	1000	000° 00' 00"
2	1000 00 00	1000	090° 00' 00"
3	1000 00 00	1000	180° 00' 00"
4	1000 00 00	1000	270° 00' 00"



Licensed area	→
License Number	PA1602846XZ
District	Simonsville
Direction	→

An area of approximately 0.31 Hectares.

ANNUAL RENT PAYMENTS

Year	RFY	Amount (Rands)	Date	Signature & Stamp
2015/2016	600000	160,000	08/11/2015	[Signature]
2016/2017	811390	160,000	08/01/2016	[Signature]
2017/2018	1099000	160,000	20/11/2016	[Signature]
2018/2019	1810700	160,000	08/02/2018	[Signature]
2019/2020	2582400	160,000	10/02/2019	[Signature]

I, ERICK BALTHAZAR KIMARO  
 Do hereby Certify that the foregoing is a  
 true copy of the original.  
 Signature: [Signature] Date: 07/02/2020  
 Advocate, Notary Public &  
 Commissioner For Oaths