

Dated 4 July ~~June~~ 2022

BLUEROCK DIAMONDS PLC
as Company

and

THE SUBSCRIBERS LISTED IN COLUMN 1 OF SCHEDULE 1
as Subscribers

SUBSCRIPTION AGREEMENT

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THIS AGREEMENT is made on 4 July ~~June~~ 2022

PARTIES

- (1) **BLUEROCK DIAMONDS PLC**, a company incorporated in England and Wales (company number 08248437) and with its registered office at 4th Floor Reading Bridge House, George Street, Reading, Berkshire RG1 8LS as Company (the "**Company**").
- (2) **THE SUBSCRIBERS LISTED IN COLUMN 1 OF SCHEDULE 1**, as Subscribers (the "**Subscribers**", and each a "**Subscriber**").

BACKGROUND

- (A) The Company is a public company with shares traded on AIM.
- (B) The Subscribers have agreed to subscribe an aggregate principal amount of £1,650,157 (one million six hundred and fifty thousand one hundred fifty seven pounds sterling) of Subscription Shares, SL Notes and CL Notes upon the terms and subject to the conditions contained in this Agreement.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, including the recitals, the following words and expressions shall have the following meanings:

"**Accounts Date**" means 31 December 2020.

"**Adverse Interest**" means any claim, equity, lien, charge or trust, any other right or interest of any third party and any other encumbrance of any kind.

"**AIM**" means the AIM market of the London Stock Exchange.

"**AIM Rules**" means the rules governing the admission to, and operation of, AIM as set out in the AIM Rules for Companies published by the London Stock Exchange from time to time.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks generally are open in London for normal business.

"**Circular**" means a circular to the Company's shareholders pursuant to the Companies Act 2006 and Rule 9 of the Takeover Code.

"**Claim**" means any claim(s) for breach of any Warranty.

"**CL Notes**" or "**CLNs**" means the £583,745 Convertible Loan Notes 2025 to be constituted pursuant to the CLNI.

"**CLNI**" means the convertible loan note instrument in the agreed form attached as Schedule 3 constituting the CL Notes.

"**Company's Account**" means the Company's bank account at Arbuthnot Latham (account number 11904401, sort code 30-13- 93. IBAN GB87 ARBU 3013 9311 9044 01).

"Consent" means the passing of all resolutions to be set out in the notice of meeting which will form part of the Circular:

- (a) giving the directors authority to allot and issue the Subscription Shares, the CL Notes and to amend the Existing CL Notes (and approving the allotment and issue of the Shares arising on conversion of the CL Notes and the Existing CL Notes);
- (b) disapplying statutory pre-emption rights relating to the allotment and issue of the Subscription Shares, the CL Notes and the amendment of the Existing CL Notes (and the allotment and issue of the Shares arising on conversion of the CL Notes and the Existing CL Notes); and
- (c) approving a dispensation from the obligation that might otherwise arise on the allotment and issue of the Subscription Shares and/or the exercise of the conversion rights under the CLN Instrument and the Existing CLN Instrument for the holders of CLNs or Existing CLNs to make a mandatory offer for the Company in accordance with Rule 9 of the Takeover Code.

"Disclosed" means disclosed in Schedule 10 with sufficient detail to enable the Subscribers to make an informed assessment of the relevant matter.

"DTR" means the rules made by the Financial Conduct Authority under section 73A(3) and (6) of FSMA and contained in the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority.

"FSMA" means the Financial Services and Markets Act 2000.

"Environmental Laws" means any existing United Kingdom or European Community legislation or other laws having application to the operations of any company in the Group and in relation to environmental and health and safety matters, including without limitation, directives, regulations, ordinances, orders and notices, and including judicial and administrative interpretation of each of the foregoing.

"Excon Approval" means the approval referred to in Clause 2.2(a).

"Existing CL Notes" or **"Existing CLNs"** means the £1,610,000 Convertible Loan Notes 2024 constituted pursuant to the Existing CLNI.

"Existing CLNI" means the convertible loan note instrument of the Company dated on or around 20 September 2021 constituting the Existing CL Notes, as to be amended and restated (and, when the same is executed, as amended and restated) by the Existing CLNI Amendment.

"Existing CLNI Amendment" means the deed poll amending and restating the Existing CLNI to be executed by the Company in the agreed form attached as Schedule 4.

"Facility Agreement" means the facility agreement to be executed between KVM and TSA in the agreed form attached as Schedule 9 (and the security documents referred to therein).

"Group" means the Company and its subsidiary undertakings.

"Initial Completion" means the carrying out by the parties of their obligations pursuant to Clauses 2.1 and 2.3.

"Intellectual Property Rights" means patents, registered designs, trade marks and service marks (whether registered or not), trade names, business names (including internet domain names), database rights, and all similar property rights including those subsisting (in any part of the world) in inventions, designs, drawings, performances, computer programmes, semiconductor topographies, confidential information, know-how, trade secrets, business names, goodwill and the style of presentation of goods and services and in applications for the protection thereof.

"KVM" means Kareevlei Mining (Pty) Ltd, whose registered office is at Remainder Portion 1 & 2 of Farm 113 and Portion of Portion 2 of Farm 142, Kooopsmansfontein 8391, South Africa.

"KVM Governance Agreement" means the KVM governance agreement to be executed between the Company, KVM, TCL and TSA in the agreed form attached as Schedule 8.

"Licences" means the licences listed in the table in Schedule 6.

"London Stock Exchange" means London Stock Exchange plc.

"MAR" means the UK version of Regulation (EU) 596/2014 which is part of UK law by virtue of the EUWA.

"Mining Agreement" means the mining contract dated on or around 7 June 2021 executed between KVM and Teichmann South Africa (Pty) Ltd.

"Note Documents" means this Agreement, the Existing CLNI, the SLNI, the CLNI, the Facility Agreement, the KVM Governance Agreement, the Mining Agreement, the Relationship Agreement and the Notes Security and all other documents referred to therein (including any Certificate under and as defined in the Existing CLNI, the SLNI or the CLNI) to which the Company or KVM and any Subscriber or TSA are party.

"Noteholder" means a holder of Notes.

"Notes" means the CL Notes and/or the Existing CL Notes.

"Note Security" means the Security Documents under and as defined in each of the SLNI, the Existing CLNI and the CLNI.

"Previous Announcements" means all documents issued and announcements made by or on behalf of the Company to any stock exchange or via a Regulatory Information Service or pursuant to any regulatory obligation since the Accounts Date.

"Relationship Agreement" means the relationship agreement to be executed by the Company, TCL and SP Angel Corporate Finance LLP in the agreed form attached as Schedule 7.

"Second Completion" means, subject to receipt of the Consent, the carrying out by the parties of their obligations pursuant to Clauses 3.1 and 3.2.

"Second Completion Date" means the fifth Business Day (or such earlier Business Day as the parties may agree) following the Consent.

"Shareholders" means holders of Shares.

"Shares" means ordinary shares of £0.05 in the capital of the Company.

"Share Security Deed" has the meaning given to it in the SLNI, the Existing CLNI and the CLNI.

"SL Notes" or **"SLNs"** means the £1,066,412 Simple Loan Notes 2022 to be constituted pursuant to the SLNI.

"SLN Redemption Date" means 31 August 2022.

"SLNI" means the loan note instrument in the agreed form attached as Schedule 2 constituting the SL Notes.

"Subscription Shares" means 15,234,457 new Shares to be subscribed by the Subscribers at a price of 7p (seven pence) per Share in accordance with this Agreement.

"TCL" means Teichmann Company Limited, incorporated in Mauritius with number 103528, of No. 2. Quartier des Terminalias, Labourdonnais, Mapou, Rivière du Rempart, 31803, Mauritius.

"Third Completion" means the carrying out by the parties of their obligations pursuant to Clauses 3.1 and 3.6.

"Third Completion Date" means, subject to Second Completion having occurred, the last Business Day on which the remaining Convertible Loan Notes 2019 of the Company are redeemable (or such earlier Business Day as the parties may agree).

"TSA" means Teichmann South Africa (Pty) Ltd, whose registered office is at 1 Flamboyant Close, Glen Anil 4051, South Africa.

"Warranties" means the representations, warranties and undertakings given and made in Clause 5 and set out in Schedule 5.

- 1.2 Words and expressions defined in the Companies Act 2006 shall have the same meaning when used in this Agreement unless the context otherwise requires
- 1.3 Unless the context otherwise requires, any reference to a statutory provision shall be interpreted as including a reference to any statutory amendment, modification, consolidation or re-enactment (whether before or after the date of this Agreement) from time to time in force.
- 1.4 References in this Agreement to a Clause or Schedule are to a clause of or a schedule to this Agreement.
- 1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender and references to persons include bodies corporate or unincorporate.
- 1.6 References in this Agreement to the Subscriber shall, where the context permits, be deemed to include reference to the Subscriber's transferees which hold any Notes from time to time following a transfer in accordance with clause 10 of the CLNI.

2 SIGNING AND INITIAL COMPLETION

- 2.1 Immediately following execution of this Agreement:
 - (a) the Company and TCL shall (and the Company shall procure that the other parties thereto other than TSA shall and TCL shall procure that TSA shall) execute and deliver to each other

party thereto each of the SLNI, the CLNI, the Relationship Agreement, the Facility Agreement and the KVM Governance Agreement;

- (b) the Company shall provide to the Subscribers a copy of the board minutes of each of the Company and KVM approving their execution of each of the Note Documents to which they are party (subject only to the Consent, where applicable); and
- (c) the Subscribers shall provide to the Company a copy of the board minutes of each of the Subscribers that is a corporate entity and of TSA approving their execution of each of the Note Documents to which they are party (subject only to the Consent, where applicable).

2.2 Initial Completion shall be conditional upon:

- (a) the Company and KVM obtaining South African exchange control approval pursuant to the Exchange Control Regulations, 1961, relating to the application of funds in accordance with Clause 2.5 and Clause 3.7(b), in form satisfactory to them and the Subscribers, each acting reasonably, and the Company shall use all reasonable endeavours to procure that the same is obtained as soon as practicable after the date of this Agreement; and
- (b) the KVM Governance Agreement becoming unconditional in all respects, save for any condition relating to this Agreement becoming unconditional.

2.3 Initial Completion shall take place at the offices of the Company or such other place as the parties shall otherwise agree (and for the avoidance of doubt the Initial Completion may occur remotely) on the later of:

- (a) the fifth Business Day after satisfaction of the conditions set out in Clause 2.2; and
- (b) 15 July 2022.

2.4 At the Initial Completion:

- (a) the Company shall provide to the Subscribers a copy of the approval referred to in Clause 2.2(a);
- (b) the Subscribers shall:
 - (i) subscribe (or procure the subscription) for a total of £1,066,412 of the SL Notes in the amounts set out opposite their names in column 3 of Part A of Schedule 1; and
 - (ii) pay for the SL Notes the amount set out opposite their names in Part B of Schedule 1 in cash (by same day telegraphic transfer of immediately available funds to the Company's Account);
- (c) a board meeting shall be convened at which the Company shall:
 - (i) approve the issue of the Circular, and the Company shall provide a copy of the minutes relating thereto to the Subscribers; and
 - (ii) issue the SL Notes subscribed pursuant to Clause 2.2(a) to the Subscribers, make the necessary entries in its register of Noteholders and issue the appropriate SL Note certificates to the Subscribers as set out in column 2 of Schedule 1 forthwith upon receipt by the Company of payment in full of the subscription for the SL Notes.

2.5 The Company shall procure that the proceeds of the SL Notes subscription (after any deduction under Clause 6.7) shall be applied by the Company in full towards funding KVM, by way of debt or equity, and that such amount shall immediately be applied by KVM towards reduction of amounts owing by KVM to TSA under the Mining Agreement.

2.6 As soon as reasonably practicable after the Initial Completion but, in any case, by no later than 31 July 2022, the Company shall issue the Circular.

3 SECOND COMPLETION, THIRD COMPLETION AND OTHER UNDERTAKINGS

3.1 Second Completion shall take place at the offices of the Company or such other place as the parties shall otherwise agree (and for the avoidance of doubt the Second Completion may occur remotely) on the Second Completion Date.

3.2 If the Consent has been obtained prior to the SLN Redemption Date, then at Second Completion, to the extent not already done:

- (a) the SL Notes shall be redeemed and cancelled;
- (b) the Subscribers shall apply (and be deemed to have agreed automatically to apply) the redemption monies arising on redemption of the SL Notes to subscribe for the Subscription Shares in substitution for their SL Notes;
- (c) the Company shall enter into the Existing CLNI Amendment;
- (d) the Company shall, and shall procure that KVM shall, enter into all Note Security (provided that the Share Security Deed shall only be executed and delivered if approval therefor is obtained from the South African Mining Ministry (and then within 5 Business Days of obtaining such approval) and, failing such approval, failure to execute and deliver the same shall not be a breach of this clause);
- (e) a board meeting shall be convened at which the Company shall:
 - (i) redeem the SL Notes in accordance with the terms of clause 4 (*Redemption*) of the SLNI;
 - (ii) issue the Subscription Shares subscribed pursuant to Clause 3.2(a) to the Subscribers in substitution for their SL Notes; and
 - (iii) make (or procure to be made) the necessary entries in its register of allotments of Shares, its register of Shareholders and its registers of Noteholders, issue to the Subscribers the appropriate Share certificates (or, where the Subscribers have provided requisite CREST information, uncertificated Shares) in respect of their Subscription Shares, and cancel the SL Notes.

3.3 Following Second Completion, to the extent not already done, the Company shall, and shall procure that KVM shall, as soon as practicable and in any case by no later than 30 September 2022, execute and deliver in favour of the relevant parties thereto, all Note Security and the security documents referred to in the Facility Agreement (provided that the Share Security Deed shall only be executed and delivered if approval therefor is obtained from the South African Mining Ministry (and then within 5 Business Days of obtaining such approval) and, failing such approval, failure to execute and deliver the same shall not be a breach of this clause).

- 3.4 If the Consent has not been obtained prior to the SLN Redemption Date, then:
- (a) the Company shall redeem the SL Notes on the SLN Redemption Date in accordance with the terms of subclause 4.2 or subclause 4.3 as appropriate of clause 4 (*Redemption*) of the SLNI; and
 - (b) subject to such redemption having occurred, the Company shall cease to be obliged to enter into the Note Security as required under the SLNI, but without prejudice to the obligations of the Company to enter into the Note Security in accordance with the Existing CLNI and the CLNI and the security documents required under the Facility Agreement.
- 3.5 Third Completion shall take place at the offices of the Company or such other place as the parties shall otherwise agree (and for the avoidance of doubt the Third Completion may occur remotely) on the Third Completion Date.
- 3.6 Subject to Second Completion having occurred, then at Third Completion, to the extent not already done:
- (a) the Subscribers shall subscribe for £583,745 of CL Notes;
 - (b) the Company shall issue such CL Notes;
 - (c) the Company shall, and shall procure that KVM shall, enter into all Note Security (provided that the Share Security Deed shall only be executed and delivered if approval therefor is obtained from the South African Mining Ministry (and then within 5 Business Days of obtaining such approval) and, failing such approval, failure to execute and deliver the same shall not be a breach of this clause);
 - (d) a board meeting shall be convened at which the Company shall:
 - (i) issue the CL Notes subscribed pursuant to Clause 3.2(a) to the Subscribers; and
 - (ii) make (or procure to be made) the necessary entries in its register of Noteholders, issue and issue CL Note certificates to the Subscribers.
- 3.7 The Company shall procure that the proceeds of the CL Notes subscription (after any deduction under Clause 6.7) shall be applied by the Company as to:
- (a) £799,809, towards the funding of KVM in accordance with Clause 2.5; and
 - (b) £266, 603, to remain with the Company to service its cash flows.

4 PAYMENT FOR THE SL NOTES AND THE CL NOTES

The Subscribers shall pay for the SL Notes on Initial Completion and the CL Notes on Second Completion in the amounts set out in Schedule 1. Amounts paid in respect of the SL Notes shall, with effect from Second Completion, be deemed to have been paid in respect of the Subscription Shares in accordance with Clauses 3.2(a) and (b).

5 WARRANTIES

- 5.1 The Company represents warrants and undertakes to the Subscribers as at the date of this Agreement and at all times during the period up to and including Second Completion (or, if

Second Completion does not occur, the SLN Redemption Date) as if repeated by reference to the facts and circumstances existing at all such times in the terms set out in Schedule 5, subject only to any matters Disclosed and the Previous Announcements.

- 5.2 The Company undertakes to the Subscribers to disclose to the Subscribers in writing any information which might indicate that the Warranties are not, or have ceased to be, true and accurate or are, or have become, misleading or would not, or would have ceased to be, true and accurate or would be, or would have become, misleading if the same were repeated immediately prior to Second Completion (or, if Second Completion does not occur, the SLN Redemption Date) becoming effective forthwith upon becoming aware of the same.
- 5.3 If, at any time prior to Second Completion, the Subscribers (or any of them) receive notification pursuant to Clause 5.2 or otherwise become aware that any of the Warranties is or has become untrue, inaccurate or misleading in any respect which, in the reasonable opinion of the Subscribers (or any of them), is material in the context of the Second Completion, the Subscribers (or any of them) may terminate their obligations under this Agreement by notice in writing to the Company, whereupon no party shall have any liability to any other party, save in respect of redemption by the Company of the SL Notes on the SLN Redemption Date and any prior breach of this Agreement.
- 5.4 Each of the Warranties shall remain in full force and effect notwithstanding Second Completion.
- 5.5 No neglect, delay or indulgence on the part of any of the Subscribers in enforcing the Warranties or in enforcing any other term or condition of this Agreement shall be construed as a waiver thereof by the Subscribers (or any of them).
- 5.6 Notwithstanding any rule of law or equity to the contrary, any release, waiver or compromise or any other arrangement of any kind whatsoever which the Subscribers (or any of them) may agree to or effect as regards the Company in connection with this Agreement and, in particular (but without limitation), the Warranties shall not affect the rights of the Subscribers (or the others of them) as regards the Company or any other person.
- 5.7 The limitations set out in clauses 5.8 and 5.9 will not apply to any Claim which is the consequence of fraud, dishonesty, wilful concealment or wilful misrepresentation by or on behalf of the Company.
- 5.8 No Claim may be made against the Company unless written notice of such Claim is served on the Company giving reasonable details of the scope, nature and quantum of the Claim by no later than 12 months after Second Completion or, if Second Completion does not occur, by no later than 12 months after the SLN Redemption Date.
- 5.9 The aggregate liability of the Company in respect of all and any Claims will be limited to an amount equal to the aggregate amount paid to the Company by the Subscribers pursuant to this agreement.

6 MISCELLANEOUS

- 6.1 Any liability of the Company to the Subscribers under the Note Documents may in whole or in part be released, compounded or compromised, and time or indulgence may be given, by the Subscribers (or any of them) in their (or its) absolute discretion as regards the Company without in any way prejudicing or affecting its rights against any other Subscriber or any other party.

- 6.2 Nothing contained in this Agreement shall be deemed to constitute a partnership between the parties.
- 6.3 The Note Documents constitute the entire agreement between the parties and supersede any previous agreements, understandings and arrangements between them and representations by them, whether oral or written, which relate to the subject matter of this Agreement.
- 6.4 No failure or delay in exercising on the part of any of the parties any right, power or privilege hereunder shall operate as a waiver thereof. The right and remedies provided in this Agreement are in addition to and not exclusive of any rights or remedies otherwise provided by law.
- 6.5 A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.
- 6.6 This Agreement may be executed in two or more counterparts, each of which will constitute an original but which, when taken together, will constitute one agreement.
- 6.7 The Company shall pay (and the Subscribers shall be entitled to deduct from the SL Notes subscription monies an amount equal to) the reasonable UK and South African legal fees of the Subscribers (not exceeding £120,000 plus disbursements and, if applicable, VAT or equivalent in South Africa) relating to preparation and negotiation of the Note Documents, the Consent and all ancillary work. Save as aforesaid, each party shall pay its own costs in connection therewith.

7 NOTICES

- 7.1 Any notice required to be given under this Agreement shall be deemed duly served if left at or sent by pre-paid first class post to:
- (a) in the case of any individuals who are party to this Agreement, the address set out in this Agreement or any other address notified to the other parties for that purpose;
 - (b) in the case of any companies who are party to this Agreement, its registered office from time to time or any other address notified to the other parties for that purpose; and
 - (c) in the case of any partnership which is a party to this Agreement, at the principal place of business of that partnership or any other address notified to the other parties for that purpose. Any such notice shall be deemed to be served at the time when the same is handed to or left at the address (including in a letter box at such address) of the party to be served, if served by post from within the United Kingdom on the day (not being a Sunday or public holiday) next following the day of posting.
- 7.2 In proving the giving of a notice it shall be sufficient to prove that the notice was left or that the envelope containing such notice was properly addressed and posted.
- 7.3 Any notice required to be given under any of the Note Documents, if sent by email shall be deemed duly served at the time of sending provided that:
- (a) In the case of the Subscribers, an email is sent the following recipient:

Claude Holton - claudeh@teichmanngrp.com, and

(b) In the case of the Company an email is sent to the following recipient:

David Facey - dfacev@bluerockdiamonds.co.uk.

(c) receipt shall not occur if the sender receives an automated message indicating that the email has not been delivered to the recipient.

8 GOVERNING LAW

8.1 This Agreement (and any non-contractual obligation arising in connection with it) shall be governed by and interpreted in accordance with English law.

8.2 Each of the parties to this Agreement irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with this Agreement and. for these purposes, each party irrevocably submits to the jurisdiction of the courts of England and Wales.


This Agreement has been entered into on the date stated at the beginning of this Agreement.

EXECUTION PAGE

COMPANY

EXECUTED as a DEED by
BLUEROCK DIAMONDS PLC
acting by a duly authorised signatory
in the presence of:)
)
)
)

DocuSigned by:
David Facey
91201A1DBE113473
David Facey

Witness' signature: 
DocuSigned by:
Lavinia Jessup
36AB388C365A403...

Witness' name: Lavinia Jessup


Address: 16 Temple Gardens, London, NW11 0LL

Occupation: Accountant

SUBSCRIBERS

EXECUTED as a DEED by
TEICHMANN COMPANY LIMITED
acting by a duly authorised signatory
in the presence of:)
)
)
)

DocuSigned by:
Victor Dingle
DD97A5ECCED35460...
Victor Dingle

Witness' signature: 
DocuSigned by:
Aimee te Riele
337F2A4E3B6545B...

Witness' name: Aimee te Riele

Address: 109 wierda Road, 73 Summerfield Village, Gauteng, 2196

Occupation: CA(SA)

EXECUTED as a DEED by
T-THREE DRILLING (MAURITIUS) LIMITED
acting by a duly authorised signatory
in the presence of:)
)
)
)

DocuSigned by:
Victor Dingle
DD97A5ECCED35460...
Victor Dingle


Witness' signature: 
DocuSigned by:
Aimee te Riele
337F2A4E3B6545B...

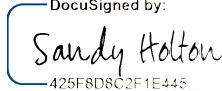
Witness' name: Aimee te Riele

Address: 109 wierda Road, 73 Summerfield Village, Gauteng, 2196

Occupation: CA(SA)

EXECUTED as a DEED by
CLAUDE HOLTON
acting by a duly authorised signatory
in the presence of:)
)
)
)

DocuSigned by:

3A0DDEA35F344CD...
Claude Holton

Witness' signature: 
Witness' name: Sandy Holton

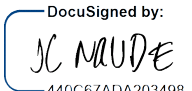
Address: Emy Lodge, Blackstoops, Enniscorthy, Wexford

Occupation: Housewife

EXECUTED as a DEED by
ALAN MCKINNEY
acting by a duly authorised signatory
in the presence of:)
)
)
)

DocuSigned by:

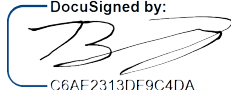
97812A9FA667496...
Alan Mckinney

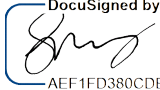
Witness' signature: 
Witness' name: JC NAUDE

Address: 11 Cerri-Leigh, Lorrain, Longwy Ave, Port Elizabeth, 6070

Occupation: Construction Manager

EXECUTED as a DEED by
BRETT NICOLAY
acting by a duly authorised signatory
in the presence of:)
)
)
)

DocuSigned by:

C6AE2313DF9C4DA...
Brett Nicolay

Witness' signature: 
Witness' name: Gaileen Nicolay

Address: 28 Fish Eagle Ridge Simbithi

Occupation: hw

SCHEDULE 1

SUBSCRIBERS AND SUBSCRIPTIONS

PART A

THE SUBSCRIBERS

Column 1 Subscriber Name and Address	Column 2 Subscriber Address	Column 3 Number of SLNs £ (and, upon Second Completion, Subscription Shares)	Column 4 Number of CLNs £
Teichmann Company Limited, incorporated in Mauritius with number 103528	All of No. 2. Quartier des Terminalias, Labourdonnais, Mapou, Rivière du Rempart, 31803, Mauritius	726,394 SLNs (and 10,284,735 Subscription Shares)	394,769 CLNs
T-Three Drilling (Mauritius) Limited, incorporated in Mauritius with number 106549		292,166 SLNs (and 4,081,486 Subscription Shares)	159,652 CLNs
Claude Holton		19,140 SLNs (and 273,430 Subscription Shares)	10,477 CLNs
Alan McKinney		15,938 SLNs (and 227,679 Subscription Shares)	8,724 CLNs
Brett Nicolay		12,773 SLNs (and 182,465 Subscription Shares)	10,123 CLNs
			£1,066,412

PART B**SUBSCRIBERS, NOTES AND INSTALMENTS**

Instalment Date	Subscriber and Instalment Amount					
	TOTAL (£)					
	Teichmann Company Limited	T-Three Drilling (Mauritius) Limited	Claude Holton	Alan McKinney	Brett Nicolay	
Initial Completion	726,394	292,166	19,140	15,938	12,773	£1,066,412
Second Completion	394,769	159,652	10,477	8,724	10,123	£583,745
TOTAL	1,121,163	451,818	29,617	24,662	22,896	£1,650,157

SCHEDULE 2

FORM OF SLNI

Dated June 2022

BLUEROCK DIAMONDS PLC
as Company

NOTE INSTRUMENT

constituting
£1,066,412 Simple Secured Notes
due 2022

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THIS DEED is made on June 2022 by **BLUEROCK DIAMONDS PLC** (company number 08248437) whose registered office is at 4th Floor Reading Bridge House, George Street, Reading, Berkshire. RG1 8LS ("**Company**").

BACKGROUND

- (A) The Company by resolution of its board of directors has authorised the Notes to be constituted by this deed.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In this Deed:

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks generally are open in London for normal business.

"**Certificate**" has the meaning ascribed to it in clause 3.1.

"**CLN Instrument**" means the convertible loan note instrument executed by the Company on the date of this Deed.

"**CLN**" means a convertible loan note constituted by the CLN Instrument.

"**Default Redemption Date**" means the date on which a redemption payment is made following a Default Redemption Event.

"**Default Redemption Event**" has the meaning ascribed to it in clause 10.

"**Directors**" means the directors of the Company.

"**Existing Security**" means the "Security" under and as defined in the Convertible Loan Notes 2019 of the Company;

"**Group**" means collectively the Company and every company which is from time to time a subsidiary or holding company of the Company or a subsidiary of any such holding company and "Group Company" shall be construed accordingly.

"**Kareevlei Mining**" means Kareevlei Mining (Pty) Ltd, whose registered office is at Remainder Portion 1 & 2 of Farm 113 and Portion of Portion 2 of Farm 142, Koopsmansfontein 8391, South Africa.

"**Kareevlei Mining Contract**" means the mining contract dated 7 June 2021 between Kareevlei Mining and TSA.

"**Majority Noteholders**" means Noteholders holding not less than 75% per cent, of the Notes in issue and outstanding.

"**Note Documents**" means has the meaning given to it in the Subscription Agreement.

"**Noteholder**" means a person whose name is entered in the Register as a holder of Notes.

"Notes" means £1,066,412 (one million sixty six thousand four hundred and twelve pounds sterling) Simple Secured Notes due 2022 constituted by this Deed or the principal amount thereof for the time being outstanding, as the case requires.

"Project" means the mining right held by Kareevlei Mining over 3000 hectares in the Northern Cape province of South Africa, approximately 100 kilometres North West of Kimberley.

"Register" has the meaning ascribed to it in clause 12.1.

"Security Documents" means the Share Security Deed.

"Shares" means ordinary shares of £0.05 each in the capital of the Company having the respective rights and restrictions set out in the articles of association of the Company, as amended or superseded from time to time with previous approval of Majority Noteholders.

"Share Security Deed" means a written cession and pledge in security agreement in respect of all the Company's rights, title and interest in and to all its shares in, and loan claims (if any) against, Kareevlei Mining, in favour of Teichmann Company Limited, or such other trustee as the Majority Noteholders may nominate, as trustee for the holders of (i) the Notes and (ii) the Additional Notes.

"SLN Redemption Date" means 31 August 2022.

"Special Resolution" means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this Deed and earned by a 75% majority of the votes cast on such poll (representing no less than 75% of the Notes in issue and outstanding) or a written resolution passed by the Noteholders holding not less than 75% of the Notes in issue and outstanding.

"Subscription Agreement" means the Subscription Agreement relating to the subscription for the Notes, certain Shares and the CLNs between the Company and the Subscribers identified therein and dated on or about the date of this Deed.

"Tax" means all forms of taxation whether of the United Kingdom or elsewhere.

"TSA" means Teichmann South Africa (Pty) Ltd, whose registered office is at 1 Flamboyant Close, Glen Anil 4051, South Africa.

1.2 Words and expressions defined in the Companies Act 2006 shall have the same meaning when used in this Deed unless the context otherwise requires.

1.3 Any reference, express or implied, to an enactment includes references to:

- (a) that enactment as re-enacted, amended, extended or applied by or under any other enactment before or after the date of this Deed,
- (b) any enactment which that enactment re-enacts (with or without modification); and
- (c) any subordinate legislation made (before or after the date of this Deed) under that enactment, as re-enacted, amended extended or applied as described in clause 1.3(a), or under any enactment referred to in clause 1.3(a),

and **"enactment"** includes any legislation in any jurisdiction

- 1.4 References to clauses and schedules are to the clauses of and schedules to this Deed references to paragraphs are to paragraphs of the relevant schedule and references to "**this Deed**" are to this Deed and the schedules and include any deed supplemental to this Deed.
- 1.5 Clauses 1.1 to 1.4 apply unless the contrary intention appears.
- 1.6 The headings in this Deed do not affect its interpretation.

2 FORM, STATUS, SUBSCRIPTION AND PURPOSE

- 2.1 The principal amount of the Notes is £1,066,412 (one million sixty six thousand four hundred and twelve pounds sterling) secured Notes and shall be designated as Simple Secured Notes 2022.
- 2.2 The Notes are in registered form in denominations of £10,000 each (other than for any balancing Note held by any Noteholder).
- 2.3 The Notes represent direct obligations of the Company secured in accordance with the Security Documents for the due and punctual payment of the principal and any interest in respect of them and performance of all the obligations of the Company with respect to them and will rank pari passu amongst themselves in all respects except to the extent provided by law.

3 CERTIFICATES

- 3.1 Each Noteholder shall be entitled to a certificate stating the amount of Notes held by him ("**Certificate**") and a copy of this Deed. Joint holders of Notes will be entitled to only one Certificate in respect of their jointly held Notes and one copy of this Deed in respect of their joint holding and the Certificate and the Deed shall be delivered to that one of the joint holders who is first named in the Register in respect of the joint holding.
- 3.2 Each Certificate shall be substantially in the form set out in Schedule 1.
- 3.3 The Notes and the Certificates shall be held subject to the terms of this Deed which shall be binding on the Company and the Noteholders and all persons claiming through or under them.
- 3.4 If a Certificate is defaced, lost or destroyed it may be renewed on payment by the Noteholder of the expenses of a renewal and on such terms (if any) as to evidence and indemnity as the Directors may require but, in the case of defacement, the defaced Certificate shall be surrendered before a new Certificate is issued. An entry as to the issue of a new Certificate and indemnity (if any) shall be made in the Register.

4 REDEMPTION

- 4.1 It is the intention of the Company that the Notes shall be redeemed by the issue of 15,234,437 Shares in accordance with the Subscription Agreement.
- 4.2 If Second Completion takes place under (and as defined in and in accordance with clause 3.2 of) the Subscription Agreement, then on the SLN Redemption Date:
- (a) the Notes then in issue shall be redeemed at the principal amount on the SLN Redemption Date; and
- (b) the Company will issue the Shares in accordance with the Subscription Agreement.

- 3.4
- 4.3 Subject to clause 4.44, if clause 3.3 of the Subscription Agreement applies, then the Notes shall be redeemed on the SLN Redemption Date at the amount actually received from the Subscriber in respect of the principal plus the greater of:
- (a) £1,000,000; and
 - (b) the Market Value of 15,234,437 ordinary shares in the Company, less £1,066,412 (one million sixty six thousand four hundred and twelve pounds sterling), allocated across the Notes pro rata, where the "**Market Value**" is the mid market closing price of the Company's ordinary shares on the SLN Redemption Date.
- 4.4 If Second Completion does not take place due to the Subscriber having failed to provide information or documentation expressly requested by the Takeover Panel to be provided by the Subscriber in a timely manner (having been given written notice thereof by the Company) or due to there being a "disqualifying transaction" as defined in appendix of the City Code on Takeovers & Mergers, then the Notes shall be redeemed on the SLN Redemption Date at the principal amount plus £1,000,000.
- 4.5 If the SLN Redemption Date or Default Redemption Date would otherwise fall on a day which is not a Business Day it shall be brought forward to the immediately preceding day which is a Business Day.
- 4.6 Every Noteholder shall, not later than the date on which they are redeemed, deliver the Certificate representing such Notes to the Company or as it shall direct.
- 4.7 All Notes redeemed pursuant to this clause 4 or otherwise repaid shall be cancelled and the Company may not reissue the same.

5 PAYMENT

- 5.1 Payments in respect of any Notes will be made to the person shown in the Register as the holder of those Notes at the close of business on the fifth Business Day before the relevant payment date ("**Record Date**").
- 5.2 All payments to be made by the Company to a Noteholder shall be made without any set-off or counterclaim and free and clear of and without deduction or withholding for or on account of Tax unless the Company is required by law to make payment subject to the deduction or withholding of Tax. Where any deduction or withholding is applicable by law, the amount payable shall be increased such that, after taking into account the amount to be deducted or withheld from the payment, the Noteholder is in the same position as that in which it would have been if no deduction or withholding were required. The Company shall deliver to Noteholders any appropriate tax deduction or withholding certificates within 20 Business Days after the relevant payment is made (or, if later, promptly after the Company receives any such certificate from a relevant tax authority).
- 5.3 Payments in respect of any Notes shall be made by electronic transfer to the account specified for such purpose by the Noteholder or joint Noteholders in writing to the Company or failing which by cheque or banker's draft sent through the post to the registered address to the Noteholder or, in the case of joint Noteholders, to the registered address of that one of them who is first named on the Register on the Record Date (or to such person and to such address as the Noteholder or joint Noteholders may in writing to the Company direct prior to the Record Date). Every such cheque or banker's draft shall be made payable to the person to whom it is sent (or to such person as the Noteholder or joint Noteholders may in writing to the

Company direct prior to the Record Date) and payment of the cheque or banker's draft shall be a good discharge to the Company. Every such cheque or draft shall be sent through the post not later than two Business Days preceding the due date for payment.

6 REPRESENTATIONS

The Company makes the representations and warranties set out in this clause 6 to each of the Noteholders.

6.1 Status

- (a) It is a limited liability corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

6.2 Binding obligations

The obligations expressed to be assumed by it in each Note Document, are legal, valid, binding and enforceable obligations.

6.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Note Documents to which it is a party do not and shall not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) in any material respect, any agreement or instrument binding upon it or any of its assets.

6.4 Power and authority

- (a) It has the requisite corporate power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Note Documents and the transactions contemplated by the Note Documents.
- (b) The execution and delivery of this Deed and the performance of the obligations of the Company under the Note Documents have been duly authorised by all necessary corporate action on the part of the Company and by all other persons (other than the Noteholders) whose approval and consent is required for the Company to enter into and perform its obligations under the Note Documents.
- (c) Save for any corporate actions taken to authorise its entry into, performance and delivery of the Note Documents and the transactions contemplated by the Note Documents, no consent, authorisation, licence or approval of the members of the Company or of any governmental administrative, judicial or regulatory body, authority or organisation having jurisdiction over it is required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the Note Documents or the performance by the Company of its obligations under the Note Documents.

6.5 *Pari passu* ranking

Its payment obligations under the Note Documents rank at least *pari passu* with the claims of all its unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

7 SECURITY

The Notes shall be secured in accordance with the Security Documents.

8 COVENANTS

The Company shall, at all times while the Notes or any of them are outstanding or capable of issue:

- (a) not amend or waive any provision of a Note Document without the prior written consent of the Noteholders by Special Resolution;
- (b) make available to the Noteholders by publication on a website concurrently with the issue to the members of the Company a copy of the annual report and accounts of the Company and its subsidiaries;
- (c) ensure that the Project is diligently developed in accordance with applicable law and applicable authorisations (except to the extent that failure to do so is the result of a breach by TSA of the Kareevlei Mining Contract);
- (d) ensure that it and/or the relevant Group Company (in each case except to the extent that the same is the responsibility of TSA under the Kareevlei Mining Contract):
 - (i) renews its Project licences as soon as practicable and in any event by 30 June 2023 and has, and continues to have following their renewal, good and valid title to its interest in the Project licences and that the Project licences are (subject only to renewal) and remain valid and in full force and effect following their renewal;
 - (ii) is in compliance with all material obligations under the Project licences in which it has an interest;
 - (iii) takes all steps to pursue and enforce its rights under each material agreement or document to which it is a party;
 - (iv) has all necessary rights of access and entry to carry out all activities required for the purpose of the Project as and when required;
 - (v) comply with all material applicable laws binding on it, the Project or any Project assets;
 - (vi) defend any material litigation or legal proceeding and not (without the prior written consent of the Majority Noteholders) commence any litigation or legal proceeding or settle any claim which has, or may have, a material adverse effect on the Group (except for (x) any litigation or legal proceeding against or settlement with TSA in respect of the Kareevlei Mining Contract and (y) defending a claim from the Company's former CEO, Christiaan Visser);

- (e) ensure that no Group Company gives any mortgage, pledge, lien, charge, assignment, hypothecation, secured interest, title retention arrangement, preferential right, trust arrangement or other arrangement (including, without limitation, any set-off or “flawed-asset” arrangement) having the same or equivalent commercial effect as a grant of security, or, in each case, an agreement to create or give any such arrangement (each a “**Security Interest**”) other than:
 - (i) the Security Documents; or
 - (ii) the Existing Security.
- (f) ensure that, at any time following the date on which any of the Noteholders have given Redemption Notice pursuant to any of Clauses 10 (a) - (e) (inclusive) or 10 (h) - (m) (inclusive), such person as the Majority Noteholders may appoint by notice in writing is allowed access to the Project to inspect the Project, any Project assets and any books, records, data and information which are in the custody or possession of each Group Company, in each case at the cost of the Company; and
- (g) not pay any dividends or make any distributions.

9 NOTES NOT TO BE QUOTED

No application has been, or is intended to be made to any listing authority, stock exchange or other market for the Notes to be listed or otherwise traded.

10 DEFAULT

The Notes then in issue shall be immediately redeemable at the principal amount if any of the following events (“**Default Redemption Event**”) occur in connection with the Company:

- (a) an administration order is made in relation to the Company or any of its subsidiaries; or
- (b) an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its material subsidiaries (except for the purpose of reorganisation or amalgamation of the Company or any of its subsidiaries); or
- (c) an encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or any of its subsidiaries or if distress execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Company or any of its subsidiaries and is not discharged, paid out, withdrawn or removed within 20 Business Days; or
- (d) the Company or any of its material subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business (except where such business or substantial part of its business is transferred to another subsidiary or Group Company for the purposes of reorganisation or amalgamation of the Company or any of its subsidiaries); or
- (e) the Company or any of its subsidiaries is deemed for the purposes of section 123(1) Insolvency Act 1986 to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally; or

- (f) a change of Control (as defined in section 995 of the Income Tax Act 2007) of the Company occasioned by the making of a general offer to buy more than 50% of the shares in the Company where the offer goes unconditional and/or the completion of any other sale (whether structured as a general offer, a scheme of arrangement or otherwise) of more than 50% of the issued share capital of the Company to any person or group of persons regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers; or
- (g) the acquisition by any person or group of persons regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers, whether by a series of transactions over a period of time or not, of an interest in shares in the Company which carry in aggregate more than 50% of the voting rights of the Company; or
- (h) the Company fails to pay within 5 Business Days of the due date any amount which is due and payable by it under the Note Documents; or
- (i) the Company commits any breach in the performance or observance of any obligation on its part contained in any of the Note Documents (other than as referred to in the previous sub-clause but including, for avoidance of doubt, clauses 2 and 3 of the Subscription Agreement), which is not remedied with 10 Business Days after written notice from any Noteholder requiring such remedy; or
- (j) any representation or warranty made by the Company in any of the Note Documents is incorrect or misleading; or
- (k) any Note Document, or any provision of any Note Document, is found or declared to be void, voidable or unenforceable; or
- (l) the Shares cease to be admitted to trading on AIM; or
- (m) trading on AIM of the Shares is suspended.

11 TRANSFER

- 11.1 No Noteholder may transfer his interest in any Notes.
- 11.2 The Company shall not be entitled to assign or transfer any of its rights or obligations under this Deed.

12 REGISTER

- 12.1 The Company shall cause a register ("**Register**") to be maintained at its registered office showing the amount of the Notes for the time being in issue, the date of issue and all subsequent transfers or changes of ownership of the Notes and the names and addresses of the Noteholders and the amounts of Notes held by them respectively.
- 12.2 The Company shall promptly amend the Register to record any change to the name or address of a Noteholder that is notified in writing to the Company by that Noteholder.
- 12.3 The Company shall not be bound to register more than four persons as the joint holders of any Notes.
- 12.4 A Noteholder and any person authorised in writing by him may at all reasonable times during office hours inspect the Register and take copies of or extracts from the Register or any part

of it. The Register may be closed at such times and for such periods as the Company may think fit provided that it shall not be closed for more than 30 days in any one year.

13 FREEDOM FROM EQUITIES

13.1 Notwithstanding any notice the Company may have of the right, title, interest or claim of any other person, to the fullest extent permitted by law, the Company:

- (a) may treat the registered holder of any Notes as the absolute owner of them;
- (b) shall not enter notice of any trust on the Register or otherwise be bound to take notice or see to the execution of any trust to which any Notes may be subject; and
- (c) may accept the receipt of the registered holder for the time being of any Notes for the interest from time to time due or for any other moneys payable in respect of them as a good discharge to the Company.

13.2 The Company will recognise every Noteholder as entitled to his Notes free from any equity, set-off or counterclaim on the part of the Company against the original or any intermediate holder of the Notes.

14 NOTICES

14.1 Notices and other communications to Noteholders may be given by personal delivery or pre-paid letter by first class post (airmail in the case of an address outside the United Kingdom) or, subject to clause 14.2, by email. In proving service of any notice or other communication sent by post or airmail it shall be sufficient to prove that the envelope or wrapper containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.

14.2 A notice sent by email to a Noteholder must be sent to each of the persons and email addresses confirmed by the Noteholder either in a subscription agreement relating to the Notes or in writing at any other time

14.3 A notice or other communication given pursuant to clause 14.1 shall be deemed to have been served:

- (a) at the time of delivery, if delivered personally;
- (b) on the second day following its posting, if sent by pre-paid letter by first class post to an address in the United Kingdom;
- (c) on the fifth day following its posting, if sent by pre-paid airmail letter to an address outside the United Kingdom; or
- (d) at the time of sending, if sent by email in accordance with clause 14.2, provided that receipt shall not occur if the sender receives an automated message indicating that the email has not been delivered to the recipient;

14.4 All notices and other communications with respect to Notes standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such Notes.

- 14.5 Any person who whether by operation of law, transfer or other means whatsoever, shall become entitled to any Notes shall be bound by every notice in respect of such Notes which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such Notes.

15 MEETINGS OF NOTEHOLDERS

Meetings of the Noteholders shall be convened and held in accordance with the provisions of Schedule 2.

16 MODIFICATIONS

- 16.1 Subject to clause 16.2, this Deed and the rights of the Noteholders may be modified, abrogated, compromised or extinguished with the sanction of a Special Resolution.
- 16.2 Modifications to this Deed which are of a minor nature or made to correct a manifest error may be effected by way of deed poll executed by the Company and expressed to be supplemental to this Deed.
- 16.3 The Company shall, within 10 Business Days of making any variation pursuant to this clause 16, send to each Noteholder (or, in the case of joint holders, to the Noteholder named first in the Register) a copy of the deed poll (or other document) effecting the variation.
- 16.4 Any modification, alteration or abrogation made pursuant to clause 16.1 or clause 16.2 shall be binding on all the Noteholders.

17 ENFORCEMENT AND THIRD PARTY RIGHTS

- 17.1 From and after the date of this Deed, and for so long as any Notes are outstanding or any amount is payable or repayable by the Company in respect of the Notes, the Company undertakes to duly perform and observe its obligations under this Deed.
- 17.2 Except as expressly provided in clause 17.3, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed.
- 17.3 This Deed shall operate for the benefit of all Noteholders and each Noteholder shall be entitled to sue for the performance or observance of the provisions of this Deed in their own right so far as their own holding of Notes is concerned where the Noteholder is a bare nominee, the beneficial owner of the Notes will be entitled to sue for the performance or observance of the provisions of this Deed in respect of the Noteholder so far as the Noteholders holding of Notes is concerned.

18 GOVERNING LAW AND JURISDICTION

- 18.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 18.2 The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed and/or the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed and/or the Notes) and the Company and the Noteholders submit to the exclusive jurisdiction of the English courts.

This Deed has been executed as a Deed and delivered on the date stated at the beginning of this Deed.

SCHEDULE 1

FORM OF CERTIFICATE

Certificate No.

Nominal Amount of Notes

[•]

£[•]

Issue of up to £[•] Simple Loan Notes due 2022 created and issued by Bluerock Diamonds plc ("Company")

THIS IS TO CERTIFY THAT [•] of [•] is/are the registered holder(s) of £[•] of the Notes. The holders of the Notes are entitled *pari passu* and rateably to the benefit of and are subject to the terms and conditions contained in a deed made by the Company on2022 ("Deed").

EXECUTED as a DEED by)

SCHEDULE 2

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1 CALLING OF MEETINGS

- 1.1 The Company may at any time convene a meeting of the Noteholders. The Company shall also convene a meeting of the Noteholders if so required in writing signed by the Majority Noteholders.
- 1.2 Every such meeting and every adjourned meeting shall be held at the registered office of the Company for the time being or such other place as the Company may specify.

2 NOTICE OF MEETINGS

- 2.1 At least 10 clear Business Days' notice of any meeting of Noteholders shall be given to the Noteholders.
- 2.2 Any such notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted at the meeting but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolution to be proposed. Any such notice shall include a statement to the effect that proxies may be appointed in accordance with the provisions of this schedule.
- 2.3 The accidental omission to give notice to, or the non-receipt of notice by, any of the Noteholders shall not invalidate the proceedings at any meeting.
- 2.4 Majority Noteholders may consent to shorter notice by means of a written resolution.

3 CHAIRMAN

A person (who need not be a Noteholder) nominated in writing by the Company shall be entitled to take the chair at a meeting of the Noteholders but if no such nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for the holding of the meeting the Noteholders present shall choose one of their number to be chairman.

4 QUORUM

At a meeting of the Noteholders one or more persons present in person or by proxy holding or representing a 75% majority of the Notes shall form a quorum for the transaction of business. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

5 ABSENCE OF QUORUM

If within 15 minutes from the time appointed for a meeting of the Noteholders a quorum is not present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 or more than 42 clear days after the time of the original meeting, unless a different date is consented to by means of written resolutions from Majority Noteholders) and to such place as the chairman may decide. At such adjourned meeting, one or more Noteholders present in person or by proxy shall form a quorum.

6 NOTICE OF ADJOURNED MEETING

At least seven clear days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at such adjourned meeting.

7 ADJOURNMENT OF MEETING

The chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the original meeting.

8 VOTING AT A MEETING

Every question submitted to a meeting of Noteholders shall be decided by means of a poll.

9 MANNER OF TAKING POLL

9.1 A poll shall be taken in such manner below as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll.

9.2 Any poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment. A poll demanded on any other question shall be taken at such time and place as the chairman may direct. No notice need be given of a poll not taken immediately.

10 PERSONS ENTITLED TO ATTEND AND VOTE

Any persons duly authorised by the Company shall be entitled to attend and speak at any meeting of the Noteholders. No person shall otherwise be entitled to attend or vote at any meeting of the Noteholders unless he is registered as a Noteholder or is a representative of a corporation which is a Noteholder or a proxy of a person who is a Noteholder.

11 VOTING

11.1 At any meeting of Noteholders, on a poll every person who is so present shall have one vote in respect of every £1 nominal of Notes of which he is the holder or in respect of which he is a representative or proxy.

11.2 Without prejudice to the obligations of any proxies any person entitled to more than one vote on a poll need not use all his votes or cast all the votes to which he is entitled in the same way.

11.3 In the case of joint Noteholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

12 PROXIES

12.1 A Noteholder may appoint a proxy (who need not be a Noteholder) by instrument in writing in any usual or common form or in any other form which the Directors may approve or accept. The instrument appointing a proxy shall be signed by the appointor or his agent authorised in

writing or, if the appointor is a corporation, shall either be executed under its common seal or be signed by an agent or officer authorised for that purpose. The Company may, but shall not be bound to, require evidence of the authority of any such agent or officer.

12.2 An instrument appointing a proxy shall, unless the contrary is stated in it, be valid for any adjournment of a meeting as well as for the meeting to which it relates. No instrument appointing a proxy shall be valid after the expiration of 12 months from its date of execution.

12.3 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or (until registered) the transfer of the Note in respect of which the vote is given provided that no intimation in writing of such death, insanity, revocation or transfer was received by the Company at its registered office before the commencement of the meeting or adjourned meeting, or of the taking of the poll, at which the proxy is used.

13 DEPOSIT OF PROXIES

An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at such place as the Company may, in the notice convening the meeting, direct or, if no such place is appointed, at the registered office of the Company before the time appointed for holding the meeting or taking the poll at which the person named in the instrument proposes to vote and in default the instrument shall not be treated as valid.

14 CORPORATE REPRESENTATIVES

Any corporation which is a Noteholder may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Noteholders and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Noteholder present in person at the meeting.

15 POWERS OF MEETING

A meeting of the Noteholders shall in addition to all other powers (but without prejudice to any powers conferred on other persons in the Deed) have the following powers exercisable only by Special Resolution, namely:

15.1 to sanction any proposal by the Company for any modification, abrogation, variation, compromise or extinguishing of, or arrangement in respect of, the rights of the Noteholders against the Company whether such rights arise under the Deed or otherwise;

15.2 to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, other obligations or securities of the Company or any other person or entity;

15.3 to assent to any modification of the provisions of this Deed which is proposed by the Company;

15.4 to authorise any person to execute and do all such documents, deeds, acts and things as may be necessary to carry out and give effect to any Special Resolution;

15.5 to give any authority or sanction which under the provisions of this Deed is required to be given by Special Resolution; and

15.6 to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Special Resolution.

16 EFFECT OF SPECIAL RESOLUTION

A Special Resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Deed shall be binding upon all the Noteholders, whether present or not at such meeting, and each of the Noteholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of any such resolution justify its passing.

17 MINUTES

Minutes of all resolutions and proceedings at every meeting of Noteholders shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any such minutes, if they purport to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Noteholders, shall be conclusive evidence of the matters therein contained. Until the contrary is proved, every meeting in respect of which minutes of the proceedings have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.

18 RESOLUTIONS IN WRITING

A Special Resolution in writing signed by Noteholders holding a majority of the Notes shall be as valid and effectual as if it had been passed as a Special Resolution at a meeting of the Noteholders duly convened and held. Such resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by one or more of the relevant Noteholders. Notice of the substance of any such resolution in writing shall be given to each Noteholder not a signatory to the resolution promptly after the passing thereof.

EXECUTION PAGE

EXECUTED as a **DEED** by)
BLUEROCK DIAMONDS PLC)
acting by two Directors)

.....
Director

.....
Director

SCHEDULE 3

FORM OF CLNI

DATED

2022

BLUEROCK DIAMONDS PLC

NOTE INSTRUMENT CONSTITUTING

£583,745 CONVERTIBLE SECURED

NOTES DUE 2025

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THIS DEED is made on

2022

BY:

BLUEROCK DIAMONDS PLC (company number 08248437) whose registered office is at 4th Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS ("**Company**").

WHEREAS the Company by resolution of its board of directors has authorised the Notes to be constituted by this deed.

NOW THIS DEED WITNESSES AND IT IS DECLARED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Deed:

"**AIM**" means the market of that name operated by the London Stock Exchange;

"**Automatic Event**" has the meaning ascribed to it in clause 9;

"**Board**" or "**Directors**" means the directors of the Company;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks generally are open in London for normal business;

"**Certificate**" has the meaning ascribed to it in clause 3.1;

"**Conversion Date**" means the date on which the conversion of the Notes is completed in accordance with the provisions of Schedule 2;

"**Conversion Notice**" has the meaning ascribed to it in clause 9;

"**Conversion Price**" means £0.07 per Ordinary Share;

"**Conversion Shares**" means such number of fully paid Ordinary Shares as equals (i) the principal amount on the Notes being converted divided by (ii) the Conversion Price;

"**CREST**" means the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form;

"**CREST Regulations**" means the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;

"**Directors**" means the directors of the Company from time to time;

"Existing Notes" means up to £1,610,000 Convertible Secured Notes due 2025 constituted by a deed entered into by the Company on or around the date of this Agreement;

"Existing Security" means the "Security" under and as defined in the Convertible Loan Notes 2019 of the Company;

"Group" means collectively the Company and every company which is from time to time a subsidiary or holding company of the Company or a subsidiary of any such holding company and **"Group Company"** shall be construed accordingly;

"Interest" means, if redemption or conversion occurs after the Maturity Date, the amount calculated at the Interest Rate for the period from the Maturity Date to the date of such redemption or conversion (inclusive);

"Interest Rate" means a rate of 14.5% per annum;

"Kareevlei Mining" means Kareevlei Mining (Pty) Ltd, South Africa company registration number 2013/077678/07, whose registered address is at Remainder Portion 1 & 2 of Farm 113 and Portion of Portion 2 of Farm 112, Koopmansfontein 8391, South Africa;

"Kareevlei Mining Contract" means the mining contract dated 7 June 2021 between Kareevlei Mining and TSA;

"London Stock Exchange" means the London Stock Exchange Group plc;

"Majority Noteholders" means Noteholders holding not less than 75% per cent. of the Notes in issue and outstanding;

"Maturity Date" means 30 November 2025;

"Note Documents" has the meaning given to it in the Subscription Agreement;

"Noteholder" means a person whose name is entered in the Register as a holder of Notes;

"Noteholder Notice of Conversion" has the meaning ascribed to it in paragraph 5 of Schedule 2;

"Notes" means up to £583,745 (five hundred and eighty three thousand, seven hundred and forty five) Convertible Secured Notes due 2025 constituted by this Deed, or the principal amount thereof for the time being outstanding, as the case requires;

"Ordinary Shares" means ordinary shares of £0.05 each in the capital of the Company having the respective rights and restrictions set out in the articles of association of the Company, as amended or superseded from time to time with previous approval of Majority Noteholders;

"Project" means the mining right held by Kareevlei Mining over 3000 hectares in the Northern Cape province of South Africa, approximately 100 kilometres North West of Kimberley.

"**Redemption Notice**" has the meaning ascribed to it in clause 9;

"**Register**" has the meaning ascribed to it in clause 11.1;

"**Security Documents**" means the Share Security Deed;

"**Share Security Deed**" means a written cession and pledge in security agreement in respect of all the Company's rights, title and interest in and to all its shares in, and loan claims (if any) against, Kareevlei Mining, in favour of Teichmann Company Limited, or such other trustee as the Majority Noteholders may nominate, as trustee for the holders of (i) the Notes and (ii) the Additional Notes.

"**Special Resolution**" means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this Deed and carried by a 75% majority of the votes cast on such poll (representing no less than 75% of the Notes in issue and outstanding) or a written resolution passed by the Noteholders holding not less than 75% of the Notes in issue and outstanding;

"**Subscription Agreement**" means the Subscription Agreement relating to the subscription for the Notes, certain Shares and the CLNs between the Company and the Subscribers identified therein and dated on or about the date of this Deed.

"**Tax**" means all forms of taxation whether of the United Kingdom or elsewhere; and

"**TSA**" means Teichmann South Africa (Pty) Ltd, whose registered office is at 1 Flamboyant Close, Glen Anil 4051, South Africa.

Words and expressions defined in the Companies Act 2006 shall have the same meaning when used in this Deed unless the context otherwise requires.

- 1.2 Any reference, express or implied, to an enactment includes references to:
 - 1.2.1 that enactment as re-enacted, amended, extended or applied by or under any other enactment before or after the date of this Deed;
 - 1.2.2 any enactment which that enactment re-enacts (with or without modification); and
 - 1.2.3 any subordinate legislation made (before or after the date of this Deed) under that enactment, as re-enacted, amended, extended or applied as described in clause 1.2.1, or under any enactment referred to in clause 1.2.1,and **enactment** includes any legislation in any jurisdiction.
- 1.3 References to clauses and schedules are to the clauses of and schedules to this Deed, references to paragraphs are to paragraphs of the relevant schedule and references to **this Deed** are to this Deed and the schedules and include any deed supplemental to this Deed.
- 1.4 Clauses 1.1 to 1.3 apply unless the contrary intention appears.

1.5 The headings in this Deed do not affect its interpretation.

2 FORM, STATUS AND PURPOSE

2.1 The principal amount of the Notes is up to £1,610,000 Convertible Secured Notes and shall be designated as Convertible Secured Notes 2025.

2.2 The Notes are in registered form in denominations of £10,000 each.

2.3 The Notes represent direct obligations of the Company secured in accordance with the Security Documents for the due and punctual payment of the principal and any Interest in respect of them and performance of all the obligations of the Company with respect to them and will rank *pari passu* amongst themselves in all respects except to the extent provided by law.

3 CERTIFICATES

3.1 Each Noteholder shall be entitled to a certificate stating the amount of Notes held by him ("**Certificate**") and a copy of this Deed. Joint holders of Notes will be entitled to only one Certificate in respect of their jointly held Notes and one copy of this Deed in respect of their joint holding and the Certificate and the Deed shall be delivered to that one of the joint holders who is first named in the Register in respect of the joint holding.

3.2 Each Certificate shall be substantially in the form set out in Schedule 1.

3.3 The Notes and the Certificates shall be held subject to the terms of this Deed which shall be binding on the Company and the Noteholders and all persons claiming through or under them.

3.4 In the case of conversion, transfer or redemption of part only of a Noteholder's Notes, the Certificate(s) in respect of such Notes shall be either:

3.4.1 endorsed with a memorandum of the principal amount of the Notes so converted, redeemed or transferred and the date of such conversion, redemption or transfer; or

3.4.2 cancelled and (without charge) replaced by a new Certificate for the balance of the principal amount of the Notes not then converted, redeemed or transferred.

3.5 If a Certificate is defaced, lost or destroyed it may be renewed on payment by the Noteholder of the expenses of a renewal and on such terms (if any) as to evidence and indemnity as the Directors may require but, in the case of defacement, the defaced Certificate shall be surrendered before a new Certificate is issued. An entry as to the issue of a new Certificate and indemnity (if any) shall be made in the Register.

4 REDEMPTION, CONVERSION AND INTEREST

4.1 The Notes shall be redeemable and convertible, and the Interest (if any) on such Notes shall be added to the principal amount and redeemed or converted, as the case may be, in accordance with the provisions in Schedule 2.

- 4.2 All Notes redeemed or converted pursuant to this clause or otherwise shall be cancelled and the Company may not reissue the same.

5 REPRESENTATIONS

The Company makes the representations and warranties set out in this clause 5 to each of the Noteholders.

5.1 Status

5.1.1 It is a limited liability corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

5.1.2 It has the power to own its assets and carry on its business as it is being conducted.

5.2 Binding obligations

The obligations expressed to be assumed by it in each Note Document, are legal, valid, binding and enforceable obligations.

5.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Note Documents to which it is a party do not and shall not conflict with:

5.3.1 any law or regulation applicable to it;

5.3.2 its constitutional documents; or

5.3.3 in any material respect, any agreement or instrument binding upon it or any of its assets.

5.4 Power and authority

5.4.1 It has the requisite corporate power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Note Documents and the transactions contemplated by the Note Documents.

5.4.2 The execution and delivery of this Agreement and the performance of the obligations of the Company under the Note Documents have been duly authorised by all necessary corporate action on the part of the Company and by all other persons (other than the Noteholders) whose approval and consent is required for the Company to enter into and perform its obligations under the Note Documents.

5.4.3 Save for any corporate actions taken to authorise its entry into, performance and delivery of, the Note Documents and the transactions contemplated by the Note Documents (all of which have been taken as required), no consent, authorisation, licence or approval of the members of the Company or of any governmental, administrative, judicial or regulatory body, authority or organisation having jurisdiction over it is

required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the Note Documents or the performance by the Company of its obligations under the Note Documents.

5.5 **Pari Passu ranking**

Its payment obligations under the Note Documents rank at least pari passu with the claims of all its unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

6 SECURITY

The Notes shall be secured in accordance with the Security Documents.

7 COVENANTS

The Company shall, at all times while the Notes or any of them are outstanding or capable of issue, except in each case with the prior written consent of the Noteholders by Special Resolution:

- 7.1 not amend or waive any provision of a Note Document;
- 7.2 not issue any loan notes convertible into ordinary shares of the Company other than the Notes and the Existing Notes;
- 7.3 make available to the Noteholders by publication on a website concurrently with the issue to the members of the Company a copy of the annual report and accounts of the Company and its subsidiaries;
- 7.4 ensure that the Project is diligently developed in accordance with applicable law and applicable authorisations (except to the extent that failure to do so is the result of a breach by TSA of the Kareevlei Mining Contract);
- 7.5 ensure that it and/or the relevant Group Company (in each case except to the extent that the same is the responsibility of TSA under the Kareevlei Mining Contract):
 - (i) renews its Project licences as soon as practicable and in any event by 30 June 2023 and has, and continues to have following their renewal, good and valid title to its interest in the Project licences and that the Project licences are (subject only to renewal) remain valid and in full force and effect following their renewal;
 - (ii) is in compliance with all material obligations under the Project licences in which it has an interest;
 - (iii) takes all steps to pursue and enforce its rights under each material agreement or document to which it is a party;
 - (iv) has all necessary rights of access and entry to carry out all activities required for the purpose of the Project as and when required;
 - (v) comply with all material applicable laws binding on it, the Project or any Project assets;

- (vi) defend any material litigation or legal proceeding and not (without the prior written consent of a Majority Resolution) commence any litigation or legal proceeding or settle any claim which has, or may have, a material adverse effect on the Group (except for (x) any litigation or legal proceeding against or settlement with TSA in respect of the Kareevlei Management Contract or the Kareevlei Mining Contract and (y) defending a claim from the Company's former CEO, Christiaan Visser);
- 7.6 ensure that no Group Company gives any mortgage, pledge, lien, charge, assignment, hypothecation, secured interest, title retention arrangement, preferential right, trust arrangement or other arrangement (including, without limitation, any set-off or "flawed-asset" arrangement) having the same or equivalent commercial effect as a grant of security, or, in each case, an agreement to create or give any such arrangement (each a "**Security Interest**") other than:
 - (i) the Security Documents; or
 - (ii) the Existing Security.
- 7.7 ensure that, at any time following the date on which any of the Noteholders have given Redemption Notice pursuant to any of Clauses 9.1 to 9.5 (inclusive) or 9.8 to 9.13 (inclusive), such person as the majority Noteholders may appoint by notice in writing is allowed access to the Project to inspect the Project, any Project assets and any books, records, data and information which are in the custody or possession of each Group Company, in each case at the cost of the Company; and
- 7.8 not pay any dividends or make any distributions.

8 NOTES NOT TO BE QUOTED

No application has been, or is intended to be, made to any listing authority, stock exchange or other market for the Notes to be listed or otherwise traded.

9 AUTOMATIC REDEMPTION OR CONVERSION

Upon the written request of any Noteholder, the Notes then in issue and held by that Noteholder (or such part thereof as that Noteholder may request) shall be immediately repayable or convertible (at the option of the Noteholder) at the principal amount, together with the Interest (if any) on the Notes, if any of the following events ("**Automatic Event**") occurs (being, respectively, a "**Redemption Notice**" or "**Conversion Notice**"):

- 9.1 an administration order is made in relation to the Company or any of its subsidiaries; or
- 9.2 an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its subsidiaries (except for the purpose of any reorganisation or amalgamation of the Company or any of its subsidiaries previously approved by Majority Noteholders); or
- 9.3 an encumbrancer takes possession or a receiver is appointed of the whole or any part of the assets or undertaking of the Company or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or any part of the assets of the Company or any of its

subsidiaries and is not discharged, paid out, withdrawn or removed within 20 Business Days; or

- 9.4 the Company or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or any part of its business as carried on as at the date of the Subscription Agreement (except where such business or part of its business is transferred to another subsidiary or Group Company for the purposes of any reorganisation or amalgamation of the Company or any of its subsidiaries previously approved by Majority Noteholders); or
- 9.5 the Company or any of its subsidiaries is deemed for the purposes of section 123 Insolvency Act 1986 to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally; or
- 9.6 a change of Control (as defined in section 995 of the Income Tax Act 2007) of the Company occasioned by the making of a general offer by a person not related to a Noteholder to buy more than 50% of the shares in the Company where the offer goes unconditional and/or the completion of any other sale (whether structured as a general offer, a scheme of arrangement or otherwise) of more than 50% of the issued share capital of the Company to any person or group of persons regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers; or
- 9.7 the acquisition by any person or group of persons not related to a Noteholder regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers, whether by a series of transactions over a period of time or not, of an interest in shares in the Company which carry in aggregate more than 50% of the voting rights of the Company; or
- 9.8 the Company fails to pay within 5 Business Days of the due date any amount which is due and payable by it under the Note Documents; or
- 9.9 the Company commits any breach in the performance or observance of any obligation on its part contained in any of the Note Documents (other than as referred to in the previous sub-paragraph but including, for the avoidance of doubt, clauses 2 and 3 of the Subscription Agreement), which is not remedied with 10 Business Days after written notice from any Noteholder requiring such remedy; or
- 9.10 any representation or warranty made by the Company in any of the Note Documents is incorrect or misleading; or
- 9.11 any Note Document, or any provision of any Note Document, is found or declared to be void, voidable or unenforceable; or
- 9.12 the Ordinary Shares cease to be admitted to trading on AIM (other than following a resolution to do so in circumstances where such resolution was not recommended by the independent directors of the Company and would not have been approved but for approval thereof by any of the Noteholders (in their capacity as shareholders)); or

9.13 trading on AIM of the Ordinary Shares is suspended.

10 TRANSFER

- 10.1 Each Noteholder may freely transfer its interest in any Notes without the prior written consent of the Company.
- 10.2 Any such transfer shall be in integral multiples of £10,000 (save for the transfer of any balancing Note held by a Noteholder) by instrument in writing in the usual common form (or in such other form as the Directors may approve), and such instrument need not be under seal.
- 10.3 Each instrument of transfer shall be signed by or on behalf of the transferor but need not be signed by or on behalf of the transferee, and the transferor shall be deemed to remain the owner of the Notes to be transferred until the name of the transferee is entered in the Register in respect of such Notes.
- 10.4 Each instrument of transfer shall be sent to, or left for registration at, the registered office of the Company for the time being, and shall be accompanied by the Certificates for the Notes to be transferred and any other evidence that the Company may reasonably require to prove the title of the transferor or his right to transfer the Notes (and, if such instrument is executed by some other person, the authority of that person to do so). All instruments of transfer that are registered may be retained by the Company.
- 10.5 When a Noteholder transfers only part of the nominal amount of the Notes held by him, the old Certificate shall be cancelled, and the Company shall issue, without charge, to the relevant transferee a new Certificate in the amount of the nominal amount of Notes transferred and to the Noteholder a new Certificate for the balance of the nominal amount of Notes held.
- 10.6 No transfer of Notes shall be registered in respect of which a Noteholder Notice of Conversion or Redemption Notice or Conversion Notice has been given and remains outstanding.
- 10.7 No fee shall be charged for any registration of a transfer of a Note nor for the registration of any other document which requires registration.
- 10.8 The registration of a transfer shall be conclusive evidence of the approval by the Company of the transfer and the Company shall, on registration, issue the transferee with a Certificate in respect of the Notes transferred.
- 10.9 The Company shall not be entitled to assign or transfer any of its rights or obligations under this Deed.

11 REGISTER

- 11.1 The Company shall cause a register ("**Register**") to be maintained at its registered office showing the amount of the Notes for the time being in issue, the date of issue and all subsequent transfers or changes of ownership of the Notes and the names and addresses of the Noteholders and the amounts of Notes held by them respectively.

- 11.2 The Company shall promptly amend the Register to record any change to the name or address of a Noteholder that is notified in writing to the Company by that Noteholder.
- 11.3 The Company shall not be bound to register more than four persons as the joint holders of any Notes.
- 11.4 A Noteholder and any person authorised in writing by him may at all reasonable times during office hours inspect the Register and take copies of or extracts from the Register or any part of it. The Register may be closed at such times between 18.00pm and 9.00am (UK time) as the Company may think fit.

12 FREEDOM FROM EQUITIES

- 12.1 Notwithstanding any notice the Company may have of the right, title, interest or claim of any other person, to the fullest extent permitted by law, the Company:
 - 12.1.1 may treat the registered holder of any Notes as the absolute owner of them;
 - 12.1.2 shall not enter notice of any trust on the Register or otherwise be bound to take notice or see to the execution of any trust to which any Notes may be subject; and
 - 12.1.3 may accept the receipt of the registered holder for the time being of any Notes for the interest from time to time due or for any other moneys payable in respect of them as a good discharge to the Company.
- 12.2 The Company will recognise every Noteholder as entitled to his Notes free from any equity, set-off or counterclaim on the part of the Company against the original or any intermediate holder of the Notes.

13 NOTICES

- 13.1 Notices and other communications to Noteholders or the Company may be given by personal delivery or pre-paid letter by first class post (airmail in the case of an address outside the United Kingdom) to that Noteholder's registered address as stated in the Register or the Company's address stated on page 1 of this Deed or, subject to clause 13.2, by email. In proving service of any notice or other communication sent by post or airmail it shall be sufficient to prove that the envelope or wrapper containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.
- 13.2 A notice sent by email to a Noteholder must be sent to each of the persons and email addresses confirmed by the Noteholder either in a subscription agreement relating to the Notes or in writing at any other time. A notice sent by email to the Company must be sent to each of the persons and email addresses confirmed by the Company either in a subscription agreement relating to the Notes or in writing at any other time.
- 13.3 A notice or other communication given pursuant to clause 13.1 shall be deemed to have been served:
 - 13.3.1 at the time of delivery, if delivered personally;

- 13.3.2 on the second day following its posting, if sent by pre-paid letter by first class post to an address in the United Kingdom;
- 13.3.3 on the fifth day following its posting, if sent by pre-paid airmail letter to an address outside the United Kingdom;
- 13.3.4 at the time of sending, if sent by email in accordance with clause 13.2, provided that receipt shall not occur if the sender receives an automated message indicating that the email has not been delivered to the recipient.
- 13.4 All notices and other communications with respect to Notes standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such Notes.
- 13.5 Any person who, whether by operation of law, transfer or other means whatsoever, shall become entitled to any Notes shall be bound by every notice in respect of such Notes which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such Notes.

14 MEETINGS OF NOTEHOLDERS

Meetings of the Noteholders shall be convened and held in accordance with the provisions of Schedule 3.

15 MODIFICATIONS

- 15.1 Subject to clause 15.2, this Deed and the rights of the Noteholders may be modified, abrogated, compromised or extinguished with the sanction of a Special Resolution.
- 15.2 Modifications to this Deed which are of a minor nature or made to correct a manifest error may be effected by way of deed poll executed by the Company and expressed to be supplemental to this Deed.
- 15.3 The Company shall, within 10 Business Days of making any variation pursuant to this clause 15, send to each Noteholder (or, in the case of joint holders, to the Noteholder named first in the Register) a copy of the deed poll (or other document) effecting the variation.
- 15.4 Any modification, alteration or abrogation made pursuant to clause 15.1 or clause 15.2 shall be binding on all the Noteholders.

16 ENFORCEMENT AND THIRD PARTY RIGHTS

- 16.1 From and after the date of this Deed, and for so long as any Notes are outstanding or any amount is payable or repayable by the Company in respect of the Notes, the Company undertakes to duly perform and observe its obligations under this Deed.
- 16.2 Except as expressly provided in clause 16.3, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act

1999 to enforce any term of this Deed.

- 16.3 This Deed shall operate for the benefit of all Noteholders and each Noteholder shall be entitled to sue for the performance or observance of the provisions of this Deed in their own right so far as their own holding of Notes is concerned. Where the Noteholder is a bare nominee, the beneficial owner of the Notes will be entitled to sue for the performance or observance of the provisions of this Deed in respect of the Noteholder so far as the Noteholders holding of Notes is concerned.

17 GOVERNING LAW AND JURISDICTION

- 17.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 17.2 The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed and/or the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed and/or the Notes) and the Company and the Noteholders submit to the exclusive jurisdiction of the English courts.
- 17.3 The Company and the Noteholders waive any objection to the English courts on grounds that they are an inconvenient or inappropriate forum to settle any such dispute.

IN WITNESS of which this Deed has been executed as a deed and has been delivered on the date which appears first on page 1.

SCHEDULE 1
Form of Certificate

Certificate No.

Nominal Amount of Notes

[•]

£[•]

Issue of up to £[•] Convertible Notes due 2025 created and issued by Bluerock Diamonds plc ("Company")

THIS IS TO CERTIFY THAT [•] of [•] is/are the registered holder(s) of £[•] of the Notes. The holders of the Notes are entitled *pari passu* and rateably to the benefit of and are subject to the terms and conditions contained in a deed made by the Company on2021 ("Deed").

EXECUTED as a DEED by)

BLUEROCK DIAMONDS PLC) acting by two Directors

.....

Director

.....

Director

Notes:

1. The Notes are convertible and shall bear Interest in accordance with the Deed.
2. This Certificate must be surrendered to the Company before any conversion can be registered or effected.
3. Any change of address of the Noteholder(s) must be notified in writing signed by the Noteholder(s) to the Company at the Registered Office.
4. The Notes are not transferable.
5. Words and expressions defined in the Deed shall bear the same meaning in this Certificate and in the Deed.
6. The Notes and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed

by, and construed in accordance with, the law of England and Wales. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Notes or their subject matter or formation (including non-contractual disputes or claims).

7. A copy of the Deed is available for inspection at the registered office of the Company.

This Certificate has been executed as a deed and is delivered and takes effect on the date of issue stated at the beginning of it.

SCHEDULE 2

Redemption and Conversion

- 1 On or after 1 December 2021 the Directors shall redeem the Notes (or the relevant Notes concerned) in exchange for and in satisfaction of the payment by the Company to the Noteholder of the principal amount of the Notes and the Interest (if any):
 - 1.1 at any time before the Maturity Date, following the occurrence of an Automatic Event, upon, and within 5 Business Days of, receipt of a Redemption Notice in respect of the Notes referred to in that notice (which shall be deemed to be all Notes held by that Noteholder unless the Redemption Notice states otherwise); or
 - 1.2 unless a Conversion Notice or Noteholder Notice of Conversion has previously been given in respect of the relevant Notes (and not withdrawn in accordance with paragraph 3), on the Maturity Date.
- 2 On or after 1 December 2021 the Directors shall convert the Notes (or the relevant Notes concerned) into the Conversion Shares at the Conversion Price in exchange for and in satisfaction of the principal amount of the Notes and the Interest (if any):
 - 2.1 at any time before or after the Maturity Date, at the election of a Noteholder in accordance with paragraph 5; or
 - 2.2 at any time before or after the Maturity Date, following the occurrence of an Automatic Event, upon receipt of a Conversion Notice in respect of the Notes referred to in that notice (which shall be deemed to be all Notes held by that Noteholder unless the Conversion Notice states otherwise).
- 3 A Redemption Notice shall be served on the Company in writing in accordance with clause 13 together with the Certificate for the Notes to be redeemed and such other evidence as the Directors may reasonably require to prove the title of the person serving the Redemption Notice. Once given, a Redemption Notice may not be withdrawn without the consent in writing of the Company.
- 4 In connection with redemption of any Notes:
 - (a) A Noteholder whose Note is due to be redeemed or purchased shall, not later than the due date for redemption, deliver to the Company in accordance with Clause 13 the Certificate for the relevant Notes (or an indemnity in accordance with Clause 3.5 where a certificate has been lost, defaced or destroyed) for cancellation. Upon delivery and against receipt (if the Company so requires) for the monies payable in respect of the Note, the Company shall pay to the Noteholder the redemption amount specified in paragraph 1 (subject to paragraph 12).
 - (b) If the Noteholder fails to comply with Condition 4(a):
 - (i) the Company may pay all amounts payable in respect of the Note into a separate interest bearing bank account;

- (ii) the payment of an amount into a bank account (a “deposited amount”) does not constitute the Company a trustee in respect of the amount and is deemed for all purposes to be a payment to the Noteholder, and the Company is discharged from all obligations in respect of the Note to that Noteholder;
 - (iii) the Company is not responsible for the safe custody of the deposited amount or related interest;
 - (iv) the Company is, and the Noteholder is not, entitled to interest accrued on the deposited amount; and
 - (v) if the deposited amount remains unclaimed after a period of ten years from the date of payment of the deposited amount into the account, the Noteholder ceases to be entitled to the amount and it shall then belong to the Company, notwithstanding that in the intervening period the obligation to pay the Noteholder may have been provided for in the Company’s books, accounts and other records.
- (c) Payments to redeem or purchase Notes in accordance with these Conditions may be made by or on behalf of the Company by:
- (i) cheque sent at the risk of the relevant Noteholder by post to the address shown on the Register against his respective name or, in the case of joint Noteholders, to the joint Noteholder who is first named on the Register, and made payable to the person to whom the cheque is sent; or
 - (ii) electronic transfer to the bank account of the Noteholder or, in the case of joint Noteholders, the bank account of the joint Noteholder first named on the Register, such account details to be provided in writing by the Noteholder to the Company and without liability of the Company for any loss or delay as a result of a bank transfer.
- (d) If the due date for payment of an amount in respect of a Note is not a Business Day, the Noteholder is not entitled to payment of the amount until the next following Business Day and is not entitled to any further Interest or other payment in respect of the resulting delay in payment.
- (e) Subject only to sub-paragraph (d), failing redemption or conversion of any Notes on the due date therefor in accordance with paragraph 1, such Notes shall from such due date bear Interest at the Interest Rate.
- 5 An election by a Noteholder under paragraph 2.1 ("**Noteholder Notice of Conversion**") or a Conversion Notice shall be served on the Company in writing in accordance with clause 13 together with the Certificate for the Notes to be converted and such other evidence as the Directors may reasonably require to prove the title of the person serving the Noteholder Notice of Conversion. Once given, a Noteholder Notice of Conversion or a Conversion Notice may not be withdrawn without the consent in writing of the Company.
- 6 The Conversion Date is the Business Day five Business Days after the Noteholder Notice of Conversion or Conversion Notice is served or, if later, five Business Days after the date on which the Directors are satisfied (acting reasonably) that the person serving the Noteholder Notice of Conversion or Conversion Notice has proven title in accordance with paragraph 4.
- 7 The Company shall:

- 5.1 on the Conversion Date allot and issue as at the Conversion Date to each Noteholder such number of Conversion Shares credited as fully paid at the Conversion Price to which he shall be entitled in respect of the Notes held by him (and such allotment and issue shall be in full satisfaction and discharge of the principal amount and the Interest (if any) in respect of the amount of the Notes so converted); and
- 5.2 following receipt of a Noteholder Notice of Conversion or Conversion Notice and if the Ordinary Shares are at that time admitted to trading on AIM or other stock exchange, procure that application is made promptly for such Ordinary Shares to be admitted to trading on AIM (or such relevant stock exchange as the Ordinary Shares are traded on from time to time) on and with effect from the Conversion Date.
- 8 The Company shall also procure that there is despatched to each Noteholder promptly after the Conversion Date free of charge a certificate for the Ordinary Shares arising on conversion if they are to be in certificated form or shall otherwise ensure that the relevant CREST or other relevant account is credited.
- 9 Ordinary Shares allotted in respect of any Notes so converted will be credited as fully paid and shall rank *pari passu* in all respects with the Ordinary Shares of the Company in issue on the Conversion Date except that such new Ordinary Shares will not rank for any dividend or other distribution declared for payment to holders of Ordinary Shares on the register at a record date falling before the Conversion Date.
- 10 The Company hereby covenants that, so long as the Notes remain convertible in accordance with this schedule the Company will ensure that it has the requisite share authorities to allot and issue Ordinary Shares in accordance with the provisions under this schedule and will maintain those authorities.
- 11 If there is an issue by the Company of equity shares or securities convertible into equity shares by way of capitalisation of profits or reserves or a capital distribution in respect of the share capital of the Company or any shares derived from it or a sub-division, consolidation or reduction of the share capital of the Company or any shares derived from it or any other reconstruction or adjustment or amalgamation relating to the share capital of the Company (or any shares derived from it) (an "**Equity Restructuring**"), the number of Conversion Shares and the Conversion Price shall be adjusted , in each case to such extent (if any) as the auditors for the time being of the Company confirm in writing to be in their opinion fair and reasonable. The certificate of the auditors will, in the absence of manifest error and fraud, be final, binding and conclusive on the Company and the Noteholders.
- 11 Notwithstanding the provisions of this schedule, the Notes of a Noteholder shall not (except with the prior written consent of the Noteholder(s) concerned expressly referring to this paragraph) be converted to the extent that the allotment and issue of Ordinary Shares on conversion would create any obligation for such Noteholder, or those deemed to be acting in concert with such Noteholder, to make a mandatory offer for the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers.
- 12 All sums payable by the Company in respect of the Notes, whether as interest or on the redemption of the Notes, shall be paid without any deductions or withholdings for or on account of taxes, levies, imposts, duties, charges or fees which the Company is required

by law to make. Where any deduction or withholding is applicable by law, the amount payable shall be increased such that, after taking into account the amount to be deducted or withheld from the payment, the Noteholder is in the same position as that in which it would have been if no deduction or withholding were required. The Company shall deliver to Noteholders any appropriate tax deduction or withholding certificates within 20 Business Days after the relevant payment is made (or, if later, promptly after the Company receives any such certificate from a relevant tax authority).

- 13 If at any time an offer or invitation is made by the Company to all holders of Ordinary Shares for the purchase by the Company of any of its Ordinary Shares, the Company shall simultaneously give notice thereof to the Noteholders and each such Noteholder shall have the right to exercise his conversion rights in accordance with this schedule at any time whilst such offer or invitation is open for acceptance, as if such Noteholder had exercised (subject to any adjustment pursuant to this schedule) his conversion rights immediately prior to the record date of such offer or invitation and any Conversion Shares arising on exercise of this right shall be included in the offer or invitations as if they had been Ordinary Shares in issue on the said record date.
- 14 If at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such persons or companies as aforesaid, the Company shall give notice to the Noteholders of such vesting within 14 days of its becoming so aware, and each such holder shall be entitled, to give a Conversion Notice in accordance with Clause 9 at any time prior to the date which is six months after such offer is or becomes unconditional in all respects, failing which all conversion rights shall lapse. Publication of a scheme of arrangement under the provisions of the Companies Act 2006 providing for the acquisition by any person of the whole or any part of the issued ordinary share capital of the Company shall be deemed to be the making of an offer for the purposes of this Condition 14 and reference herein to such an offer shall be read and construed accordingly.
- 15 If an order is made or an effective resolution is passed for winding up the Company (except for the purpose of reconstruction or amalgamation on terms sanctioned by a Special Resolution), each Noteholder shall (if, in such winding up and on the basis that all Notes then outstanding had been converted, there would be a surplus available for distribution amongst the holders of the Ordinary Shares which, on such basis, would exceed in respect of each Ordinary Share a sum equal to £0.249024 per share, as adjusted in accordance with this schedule) be treated as if immediately before the date of such order or resolution their conversion rights had been exercisable and had been exercised in full, on the terms on which the same could have been exercised immediately before the date of such order or resolution (as the case may be), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares such sum as they would have received had they exercised their conversion rights in full and become the holder of the Conversion Shares to which they would have become entitled by virtue of such conversion. Subject to the foregoing all conversion rights shall lapse on liquidation, winding up or dissolution of the Company.

SCHEDULE 3

Provisions for Meetings of Noteholders

1 CALLING OF MEETINGS

- 1.1 The Company may at any time convene a meeting of the Noteholders. The Company shall also convene a meeting of the Noteholders if so required in writing signed by the Majority Noteholders.
- 1.2 Every such meeting and every adjourned meeting shall be held at the registered office of the Company for the time being or such other place as the Company may specify.

2 NOTICE OF MEETINGS

- 2.1 At least 10 clear Business Days' notice of any meeting of Noteholders shall be given to the Noteholders.
- 2.2 Any such notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted at the meeting but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolution to be proposed. Any such notice shall include a statement to the effect that proxies may be appointed in accordance with the provisions of this schedule.
- 2.3 The accidental omission to give notice to, or the non-receipt of notice by, any of the Noteholders shall not invalidate the proceedings at any meeting.
- 2.4 Majority Noteholders may consent to shorter notice by means of a written resolution.

3 CHAIRMAN

A person (who need not be a Noteholder) nominated in writing by the Company shall be entitled to take the chair at a meeting of the Noteholders but if no such nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for the holding of the meeting the Noteholders present shall choose one of their number to be chairman.

4 QUORUM

At a meeting of the Noteholders one or more persons present in person or by proxy holding or representing a 75% majority of the Notes shall form a quorum for the transaction of business. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

5 ABSENCE OF QUORUM

If within 15 minutes from the time appointed for a meeting of the Noteholders a quorum is not present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 or more than 42 clear days after the time of the original meeting, unless a different date is consented to by means of written resolutions from Majority Noteholders) and to such place as the chairman may decide. At such adjourned meeting, one or more Noteholders present in person or by proxy shall form a quorum.

6 NOTICE OF ADJOURNED MEETING

At least seven clear days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at such adjourned meeting.

7 ADJOURNMENT OF MEETING

The chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the original meeting.

8 VOTING AT A MEETING

Every question submitted to a meeting of Noteholders shall be decided by means of a poll.

9 MANNER OF TAKING POLL

9.1 A poll shall be taken in such manner below as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll.

9.2 Any poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment. A poll demanded on any other question shall be taken at such time and place as the chairman may direct. No notice need be given of a poll not taken immediately.

10 PERSONS ENTITLED TO ATTEND AND VOTE

Any persons duly authorised by the Company shall be entitled to attend and speak at any meeting of the Noteholders. No person shall otherwise be entitled to attend or vote at any meeting of the Noteholders unless he is registered as a Noteholder or is a representative of a corporation which is a Noteholder or a proxy of a person who is a Noteholder.

11 VOTING

11.1 At any meeting of Noteholders, on a poll every person who is so present shall have one vote in respect of every £1 nominal of Notes of which he is the holder or in respect of which he is a representative or proxy.

11.2 Without prejudice to the obligations of any proxies any person entitled to more

than one vote on a poll need not use all his votes or cast all the votes to which he is entitled in the same way.

- 11.3 In the case of joint Noteholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

12 PROXIES

- 12.1 A Noteholder may appoint a proxy (who need not be a Noteholder) by instrument in writing in any usual or common form or in any other form which the Directors may approve or accept. The instrument appointing a proxy shall be signed by the appointor or his agent authorised in writing or, if the appointor is a corporation, shall either be executed under its common seal or be signed by an agent or officer authorised for that purpose. The Company may, but shall not be bound to, require evidence of the authority of any such agent or officer.
- 12.2 An instrument appointing a proxy shall, unless the contrary is stated in it, be valid for any adjournment of a meeting as well as for the meeting to which it relates. No instrument appointing a proxy shall be valid after the expiration of 12 months from its date of execution.
- 12.3 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or (until registered) the transfer of the Note in respect of which the vote is given provided that no intimation in writing of such death, insanity, revocation or transfer was received by the Company at its registered office before the commencement of the meeting or adjourned meeting, or of the taking of the poll, at which the proxy is used.

13 DEPOSIT OF PROXIES

An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at such place as the Company may, in the notice convening the meeting, direct or, if no such place is appointed, at the registered office of the Company before the time appointed for holding the meeting or taking the poll at which the person named in the instrument proposes to vote and in default the instrument shall not be treated as valid.

14 CORPORATE REPRESENTATIVES

Any corporation which is a Noteholder may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Noteholders and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Noteholder present in person at the meeting.

15 POWERS OF MEETING

A meeting of the Noteholders shall in addition to all other powers (but without prejudice to any powers conferred on other persons in the Deed) have the following powers

exercisable only by Special Resolution, namely:

- 15.1 to sanction any proposal by the Company for any modification, abrogation, variation, compromise or extinguishing of, or arrangement in respect of, the rights of the Noteholders against the Company whether such rights arise under the Deed or otherwise;
- 15.2 to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, other obligations or securities of the Company or any other person or entity;
- 15.3 to assent to any modification of the provisions of this Deed which is proposed by the Company;
- 15.4 to authorise any person to execute and do all such documents, deeds, acts and things as may be necessary to carry out and give effect to any Special Resolution;
- 15.5 to give any authority or sanction which under the provisions of this Deed is required to be given by Special Resolution; and
- 15.6 to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Special Resolution.

16 EFFECT OF SPECIAL RESOLUTION

A Special Resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Deed shall be binding upon all the Noteholders, whether present or not at such meeting, and each of the Noteholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of any such resolution justify its passing.

17 MINUTES

Minutes of all resolutions and proceedings at every meeting of Noteholders shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any such minutes, if they purport to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Noteholders, shall be conclusive evidence of the matters therein contained. Until the contrary is proved, every meeting in respect of which minutes of the proceedings have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.

18 RESOLUTIONS IN WRITING

A Special Resolution in writing signed by Noteholders holding a majority of the Notes shall be as valid and effectual as if it had been passed as a Special Resolution at a meeting of the Noteholders duly convened and held. Such resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by one or more of the relevant Noteholders. Notice of the substance of any such resolution in writing shall be given to each Noteholder not a signatory to the resolution promptly after the passing thereof.

EXECUTED as a **DEED** by)

BLUEROCK DIAMONDS PLC) **acting by two Directors**

.....

Director

.....

Director

SCHEDULE 4

FORM OF EXISTING CLNI AMENDMENT

DATED

2022

BLUEROCK DIAMONDS PLC

NOTE INSTRUMENT CONSTITUTING

£1,610,000 CONVERTIBLE SECURED

NOTES DUE 2025

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THIS DEED is made on

2022

BY:

BLUEROCK DIAMONDS PLC (company number 08248437) whose registered office is at 4th Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS ("**Company**").

WHEREAS the Company by resolution of its board of directors has authorised the Notes to be constituted by this deed.

NOW THIS DEED WITNESSES AND IT IS DECLARED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Deed:

"**Additional Notes**" means up to £583,745 Convertible Secured Notes due 2025 constituted by a deed entered into by the Company on or around 30 June 2022, or the principal amount thereof for the time being outstanding, as the case requires;

"**AIM**" means the market of that name operated by the London Stock Exchange;

"**Automatic Event**" has the meaning ascribed to it in clause 9;

"**Board**" or "**Directors**" means the directors of the Company;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks generally are open in London for normal business;

"**Certificate**" has the meaning ascribed to it in clause 3.1;

"**Conversion Date**" means the date on which the conversion of the Notes is completed in accordance with the provisions of Schedule 2;

"**Conversion Notice**" has the meaning ascribed to it in clause 9;

"**Conversion Price**" means £0.249024 per Ordinary Share;

"**Conversion Shares**" means such number of fully paid Ordinary Shares as equals (i) the principal amount on the Notes being converted divided by (ii) the Conversion Price;

"**CREST**" means the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form;

"**CREST Regulations**" means the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those

regulations or any such enactment or subordinate legislation for the time being in force;

"Directors" means the directors of the Company from time to time;

"Existing Security" means the "Security" under and as defined in the Convertible Loan Notes 2019 of the Company;

"Group" means collectively the Company and every company which is from time to time a subsidiary or holding company of the Company or a subsidiary of any such holding company and **"Group Company"** shall be construed accordingly;

"Interest" means, if redemption or conversion occurs after the Maturity Date, the amount calculated at the Interest Rate for the period from the Maturity Date to the date of such redemption or conversion (inclusive);

"Interest Rate" means a rate of 14.5% per annum;

"Kareevlei Mining" means Kareevlei Mining (Pty) Ltd, South Africa company registration number 2013/077678/07, whose registered address is at Remainder Portion 1 & 2 of Farm 113 and Portion of Portion 2 of Farm 112, Koopmansfontein 8391, South Africa;

"Kareevlei Mining Contract" means the mining contract dated 7 June 2021 between Kareevlei Mining and TSA;

"London Stock Exchange" means the London Stock Exchange Group plc;

"Majority Noteholders" means Noteholders holding not less than 75% per cent. of the Notes in issue and outstanding;

"Maturity Date" means 30 November 2025;

"Note Documents" has the meaning given to it in the Subscription Agreement ;

"Noteholder" means a person whose name is entered in the Register as a holder of Notes;

"Noteholder Notice of Conversion" has the meaning ascribed to it in paragraph 5 of Schedule 2;

"Notes" means up to £1,610,000 (one million six hundred and ten thousand) Convertible Secured Notes due 2025 constituted by this Deed, or the principal amount thereof for the time being outstanding, as the case requires;

"Ordinary Shares" means ordinary shares of £0.05 each in the capital of the Company having the respective rights and restrictions set out in the articles of association of the Company, as amended or superseded from time to time with previous approval of Majority Noteholders;

"Project" means the mining right held by Kareevlei Mining over 3000 hectares in the Northern Cape province of South Africa, approximately 100 kilometres North West of Kimberley.

"**Redemption Notice**" has the meaning ascribed to it in clause 9;

"**Register**" has the meaning ascribed to it in clause 11.1;

"**Security Documents**" means the Share Security Deed;

"**Share Security Deed**" means a written cession and pledge in security agreement in respect of all the Company's rights, title and interest in and to all its shares in, and loan claims (if any) against, Kareevlei Mining, in favour of Teichmann Company Limited, or such other trustee as the Majority Noteholders may nominate, as trustee for the holders of (i) the Notes and (ii) the Additional Notes.

"**Special Resolution**" means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this Deed and carried by a 75% majority of the votes cast on such poll (representing no less than 75% of the Notes in issue and outstanding) or a written resolution passed by the Noteholders holding not less than 75% of the Notes in issue and outstanding;

"**Subscription Agreement**" means the Subscription Agreement relating to the subscription for the Notes, certain Shares and the CLNs between the Company and the Subscribers identified therein and dated on or about 30 June 2022.

"**Tax**" means all forms of taxation whether of the United Kingdom or elsewhere; and

"**TSA**" means Teichmann South Africa (Pty) Ltd, whose registered office is at 1 Flamboyant Close, Glen Anil 4051, South Africa.

Words and expressions defined in the Companies Act 2006 shall have the same meaning when used in this Deed unless the context otherwise requires.

- 1.2 Any reference, express or implied, to an enactment includes references to:
 - 1.2.1 that enactment as re-enacted, amended, extended or applied by or under any other enactment before or after the date of this Deed;
 - 1.2.2 any enactment which that enactment re-enacts (with or without modification); and
 - 1.2.3 any subordinate legislation made (before or after the date of this Deed) under that enactment, as re-enacted, amended, extended or applied as described in clause 1.2.1, or under any enactment referred to in clause 1.2.1,and **enactment** includes any legislation in any jurisdiction.
- 1.3 References to clauses and schedules are to the clauses of and schedules to this Deed, references to paragraphs are to paragraphs of the relevant schedule and references to **this Deed** are to this Deed and the schedules and include any deed supplemental to this Deed.
- 1.4 Clauses 1.1 to 1.3 apply unless the contrary intention appears.

1.5 The headings in this Deed do not affect its interpretation.

2 FORM, STATUS AND PURPOSE

2.1 The principal amount of the Notes is up to £1,610,000 Convertible Secured Notes and shall be designated as Convertible Secured Notes 2025.

2.2 The Notes are in registered form in denominations of £10,000 each.

2.3 The Notes represent direct obligations of the Company secured in accordance with the Security Documents for the due and punctual payment of the principal and any Interest in respect of them and performance of all the obligations of the Company with respect to them and will rank *pari passu* amongst themselves in all respects except to the extent provided by law.

3 CERTIFICATES

3.1 Each Noteholder shall be entitled to a certificate stating the amount of Notes held by him ("**Certificate**") and a copy of this Deed. Joint holders of Notes will be entitled to only one Certificate in respect of their jointly held Notes and one copy of this Deed in respect of their joint holding and the Certificate and the Deed shall be delivered to that one of the joint holders who is first named in the Register in respect of the joint holding.

3.2 Each Certificate shall be substantially in the form set out in Schedule 1.

3.3 The Notes and the Certificates shall be held subject to the terms of this Deed which shall be binding on the Company and the Noteholders and all persons claiming through or under them.

3.4 In the case of conversion, transfer or redemption of part only of a Noteholder's Notes, the Certificate(s) in respect of such Notes shall be either:

3.4.1 endorsed with a memorandum of the principal amount of the Notes so converted, redeemed or transferred and the date of such conversion, redemption or transfer; or

3.4.2 cancelled and (without charge) replaced by a new Certificate for the balance of the principal amount of the Notes not then converted, redeemed or transferred.

3.5 If a Certificate is defaced, lost or destroyed it may be renewed on payment by the Noteholder of the expenses of a renewal and on such terms (if any) as to evidence and indemnity as the Directors may require but, in the case of defacement, the defaced Certificate shall be surrendered before a new Certificate is issued. An entry as to the issue of a new Certificate and indemnity (if any) shall be made in the Register.

4 REDEMPTION, CONVERSION AND INTEREST

4.1 The Notes shall be redeemable and convertible, and the Interest (if any) on such Notes shall be added to the principal amount and redeemed or converted, as the case may be, in accordance with the provisions in Schedule 2.

- 4.2 All Notes redeemed or converted pursuant to this clause or otherwise shall be cancelled and the Company may not reissue the same.

5 REPRESENTATIONS

The Company makes the representations and warranties set out in this clause 5 to each of the Noteholders.

5.1 Status

5.1.1 It is a limited liability corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

5.1.2 It has the power to own its assets and carry on its business as it is being conducted.

5.2 Binding obligations

The obligations expressed to be assumed by it in each Note Document, are legal, valid, binding and enforceable obligations.

5.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Note Documents to which it is a party do not and shall not conflict with:

5.3.1 any law or regulation applicable to it;

5.3.2 its constitutional documents; or

5.3.3 in any material respect, any agreement or instrument binding upon it or any of its assets.

5.4 Power and authority

5.4.1 It has the requisite corporate power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Note Documents and the transactions contemplated by the Note Documents.

5.4.2 The execution and delivery of this Agreement and the performance of the obligations of the Company under the Note Documents have been duly authorised by all necessary corporate action on the part of the Company and by all other persons (other than the Noteholders) whose approval and consent is required for the Company to enter into and perform its obligations under the Note Documents.

5.4.3 Save for any corporate actions taken to authorise its entry into, performance and delivery of, the Note Documents and the transactions contemplated by the Note Documents (all of which have been taken as required), no consent, authorisation, licence or approval of the members of the Company or of any governmental, administrative, judicial or regulatory body, authority or organisation having jurisdiction over it is

required to authorise the execution, delivery, validity, enforceability or admissibility in evidence of the Note Documents or the performance by the Company of its obligations under the Note Documents.

5.5 **Pari Passu ranking**

Its payment obligations under the Note Documents rank at least pari passu with the claims of all its unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

6 **SECURITY**

The Notes shall be secured in accordance with the Security Documents.

7 **COVENANTS**

The Company shall, at all times while the Notes or any of them are outstanding or capable of issue, except in each case with the prior written consent of the Noteholders by Special Resolution:

- 7.1 not amend or waive any provision of a Note Document;
- 7.2 not issue any loan notes convertible into ordinary shares of the Company other than the Notes and the Additional Notes;
- 7.3 make available to the Noteholders by publication on a website concurrently with the issue to the members of the Company a copy of the annual report and accounts of the Company and its subsidiaries;
- 7.4 ensure that the Project is diligently developed in accordance with applicable law and applicable authorisations (except to the extent that failure to do so is the result of a breach by TSA of the Kareevlei Mining Contract);
- 7.5 ensure that it and/or the relevant Group Company (in each case except to the extent that the same is the responsibility of TSA under the Kareevlei Mining Contract):
 - (i) renews its Project licences as soon as practicable and in any event by 30 June 2023 and has, and continues to have following their renewal, good and valid title to its interest in the Project licences and that the Project licences are (subject only to renewal) remain valid and in full force and effect following their renewal;
 - (ii) is in compliance with all material obligations under the Project licences in which it has an interest;
 - (iii) takes all steps to pursue and enforce its rights under each material agreement or document to which it is a party;
 - (iv) has all necessary rights of access and entry to carry out all activities required for the purpose of the Project as and when required;
 - (v) comply with all material applicable laws binding on it, the Project or any Project assets;

- (vi) defend any material litigation or legal proceeding and not (without the prior written consent of a Majority Resolution) commence any litigation or legal proceeding or settle any claim which has, or may have, a material adverse effect on the Group (except for (x) any litigation or legal proceeding against or settlement with TSA in respect of the Kareevlei Management Contract or the Kareevlei Mining Contract and (y) defending a claim from the Company's former CEO, Christiaan Visser);
- 7.6 ensure that no Group Company gives any mortgage, pledge, lien, charge, assignment, hypothecation, secured interest, title retention arrangement, preferential right, trust arrangement or other arrangement (including, without limitation, any set-off or "flawed-asset" arrangement) having the same or equivalent commercial effect as a grant of security, or, in each case, an agreement to create or give any such arrangement (each a "**Security Interest**") other than:
 - (i) the Security Documents; or
 - (ii) the Existing Security.
- 7.7 ensure that, at any time following the date on which any of the Noteholders have given Redemption Notice pursuant to any of Clauses 9.1 to 9.5 (inclusive) or 9.8 to 9.13 (inclusive), such person as the majority Noteholders may appoint by notice in writing is allowed access to the Project to inspect the Project, any Project assets and any books, records, data and information which are in the custody or possession of each Group Company, in each case at the cost of the Company; and
- 7.8 not pay any dividends or make any distributions.

8 NOTES NOT TO BE QUOTED

No application has been, or is intended to be, made to any listing authority, stock exchange or other market for the Notes to be listed or otherwise traded.

9 AUTOMATIC REDEMPTION OR CONVERSION

Upon the written request of any Noteholder, the Notes then in issue and held by that Noteholder (or such part thereof as that Noteholder may request) shall be immediately repayable or convertible (at the option of the Noteholder) at the principal amount, together with the Interest (if any) on the Notes, if any of the following events ("**Automatic Event**") occurs (being, respectively, a "**Redemption Notice**" or "**Conversion Notice**"):

- 9.1 an administration order is made in relation to the Company or any of its subsidiaries; or
- 9.2 an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its subsidiaries (except for the purpose of any reorganisation or amalgamation of the Company or any of its subsidiaries previously approved by Majority Noteholders); or
- 9.3 an encumbrancer takes possession or a receiver is appointed of the whole or any part of the assets or undertaking of the Company or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or any part of the assets of the Company or any of its

subsidiaries and is not discharged, paid out, withdrawn or removed within 20 Business Days; or

- 9.4 the Company or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or any part of its business as carried on as at the date of the Subscription Agreement (except where such business or part of its business is transferred to another subsidiary or Group Company for the purposes of any reorganisation or amalgamation of the Company or any of its subsidiaries previously approved by Majority Noteholders); or
- 9.5 the Company or any of its subsidiaries is deemed for the purposes of section 123 Insolvency Act 1986 to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally; or
- 9.6 a change of Control (as defined in section 995 of the Income Tax Act 2007) of the Company occasioned by the making of a general offer by a person not related to a Noteholder to buy more than 50% of the shares in the Company where the offer goes unconditional and/or the completion of any other sale (whether structured as a general offer, a scheme of arrangement or otherwise) of more than 50% of the issued share capital of the Company to any person or group of persons regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers; or
- 9.7 the acquisition by any person or group of persons not related to a Noteholder regarded as acting in concert for the purposes of the City Code on Takeovers and Mergers, whether by a series of transactions over a period of time or not, of an interest in shares in the Company which carry in aggregate more than 50% of the voting rights of the Company; or
- 9.8 the Company fails to pay within 5 Business Days of the due date any amount which is due and payable by it under the Note Documents; or
- 9.9 the Company commits any breach in the performance or observance of any obligation on its part contained in any of the Note Documents (other than as referred to in the previous sub-paragraph but including, for the avoidance of doubt, clauses 2 and 3 of the Subscription Agreement), which is not remedied with 10 Business Days after written notice from any Noteholder requiring such remedy; or
- 9.10 any representation or warranty made by the Company in any of the Note Documents is incorrect or misleading; or
- 9.11 any Note Document, or any provision of any Note Document, is found or declared to be void, voidable or unenforceable; or
- 9.12 the Ordinary Shares cease to be admitted to trading on AIM (other than following a resolution to do so in circumstances where such resolution was not recommended by the independent directors of the Company and would not have been approved but for approval thereof by any of the Noteholders (in their capacity as shareholders)); or

9.13 trading on AIM of the Ordinary Shares is suspended.

10 TRANSFER

- 10.1 Each Noteholder may freely transfer its interest in any Notes without the prior written consent of the Company.
- 10.2 Any such transfer shall be in integral multiples of £10,000 by instrument in writing in the usual common form (or in such other form as the Directors may approve), and such instrument need not be under seal.
- 10.3 Each instrument of transfer shall be signed by or on behalf of the transferor but need not be signed by or on behalf of the transferee, and the transferor shall be deemed to remain the owner of the Notes to be transferred until the name of the transferee is entered in the Register in respect of such Notes.
- 10.4 Each instrument of transfer shall be sent to, or left for registration at, the registered office of the Company for the time being, and shall be accompanied by the Certificates for the Notes to be transferred and any other evidence that the Company may reasonably require to prove the title of the transferor or his right to transfer the Notes (and, if such instrument is executed by some other person, the authority of that person to do so). All instruments of transfer that are registered may be retained by the Company.
- 10.5 When a Noteholder transfers only part of the nominal amount of the Notes held by him, the old Certificate shall be cancelled, and the Company shall issue, without charge, to the relevant transferee a new Certificate in the amount of the nominal amount of Notes transferred and to the Noteholder a new Certificate for the balance of the nominal amount of Notes held.
- 10.6 No transfer of Notes shall be registered in respect of which a Noteholder Notice of Conversion or Redemption Notice or Conversion Notice has been given and remains outstanding.
- 10.7 No fee shall be charged for any registration of a transfer of a Note nor for the registration of any other document which requires registration.
- 10.8 The registration of a transfer shall be conclusive evidence of the approval by the Company of the transfer and the Company shall, on registration, issue the transferee with a Certificate in respect of the Notes transferred.
- 10.9 The Company shall not be entitled to assign or transfer any of its rights or obligations under this Deed.

11 REGISTER

- 11.1 The Company shall cause a register ("**Register**") to be maintained at its registered office showing the amount of the Notes for the time being in issue, the date of issue and all subsequent transfers or changes of ownership of the Notes and the names and addresses of the Noteholders and the amounts of Notes held by them respectively.
- 11.2 The Company shall promptly amend the Register to record any change to the

name or address of a Noteholder that is notified in writing to the Company by that Noteholder.

- 11.3 The Company shall not be bound to register more than four persons as the joint holders of any Notes.
- 11.4 A Noteholder and any person authorised in writing by him may at all reasonable times during office hours inspect the Register and take copies of or extracts from the Register or any part of it. The Register may be closed at such times between 18.00pm and 9.00am (UK time) as the Company may think fit.

12 FREEDOM FROM EQUITIES

- 12.1 Notwithstanding any notice the Company may have of the right, title, interest or claim of any other person, to the fullest extent permitted by law, the Company:
 - 12.1.1 may treat the registered holder of any Notes as the absolute owner of them;
 - 12.1.2 shall not enter notice of any trust on the Register or otherwise be bound to take notice or see to the execution of any trust to which any Notes may be subject; and
 - 12.1.3 may accept the receipt of the registered holder for the time being of any Notes for the interest from time to time due or for any other moneys payable in respect of them as a good discharge to the Company.
- 12.2 The Company will recognise every Noteholder as entitled to his Notes free from any equity, set-off or counterclaim on the part of the Company against the original or any intermediate holder of the Notes.

13 NOTICES

- 13.1 Notices and other communications to Noteholders or the Company may be given by personal delivery or pre-paid letter by first class post (airmail in the case of an address outside the United Kingdom) to that Noteholder's registered address as stated in the Register or the Company's address stated on page 1 of this Deed or, subject to clause 13.2, by email. In proving service of any notice or other communication sent by post or airmail it shall be sufficient to prove that the envelope or wrapper containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.
- 13.2 A notice sent by email to a Noteholder must be sent to each of the persons and email addresses confirmed by the Noteholder either in a subscription agreement relating to the Notes or in writing at any other time. A notice sent by email to the Company must be sent to each of the persons and email addresses confirmed by the Company either in a subscription agreement relating to the Notes or in writing at any other time.
- 13.3 A notice or other communication given pursuant to clause 13.1 shall be deemed to have been served:
 - 13.3.1 at the time of delivery, if delivered personally;

- 13.3.2 on the second day following its posting, if sent by pre-paid letter by first class post to an address in the United Kingdom;
 - 13.3.3 on the fifth day following its posting, if sent by pre-paid airmail letter to an address outside the United Kingdom;
 - 13.3.4 at the time of sending, if sent by email in accordance with clause 13.2, provided that receipt shall not occur if the sender receives an automated message indicating that the email has not been delivered to the recipient.
- 13.4 All notices and other communications with respect to Notes standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such Notes.
- 13.5 Any person who, whether by operation of law, transfer or other means whatsoever, shall become entitled to any Notes shall be bound by every notice in respect of such Notes which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such Notes.

14 MEETINGS OF NOTEHOLDERS

Meetings of the Noteholders shall be convened and held in accordance with the provisions of Schedule 3.

15 MODIFICATIONS

- 15.1 Subject to clause 15.2, this Deed and the rights of the Noteholders may be modified, abrogated, compromised or extinguished with the sanction of a Special Resolution.
- 15.2 Modifications to this Deed which are of a minor nature or made to correct a manifest error may be effected by way of deed poll executed by the Company and expressed to be supplemental to this Deed.
- 15.3 The Company shall, within 10 Business Days of making any variation pursuant to this clause 15, send to each Noteholder (or, in the case of joint holders, to the Noteholder named first in the Register) a copy of the deed poll (or other document) effecting the variation.
- 15.4 Any modification, alteration or abrogation made pursuant to clause 15.1 or clause 15.2 shall be binding on all the Noteholders.

16 ENFORCEMENT AND THIRD PARTY RIGHTS

- 16.1 From and after the date of this Deed, and for so long as any Notes are outstanding or any amount is payable or repayable by the Company in respect of the Notes, the Company undertakes to duly perform and observe its obligations under this Deed.
- 16.2 Except as expressly provided in clause 16.3, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act

1999 to enforce any term of this Deed.

- 16.3 This Deed shall operate for the benefit of all Noteholders and each Noteholder shall be entitled to sue for the performance or observance of the provisions of this Deed in their own right so far as their own holding of Notes is concerned. Where the Noteholder is a bare nominee, the beneficial owner of the Notes will be entitled to sue for the performance or observance of the provisions of this Deed in respect of the Noteholder so far as the Noteholders holding of Notes is concerned.

17 GOVERNING LAW AND JURISDICTION

- 17.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- 17.2 The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed and/or the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed and/or the Notes) and the Company and the Noteholders submit to the exclusive jurisdiction of the English courts.
- 17.3 The Company and the Noteholders waive any objection to the English courts on grounds that they are an inconvenient or inappropriate forum to settle any such dispute.

IN WITNESS of which this Deed has been executed as a deed and has been delivered on the date which appears first on page 1.

SCHEDULE 1
Form of Certificate

Certificate No.

Nominal Amount of Notes

[•]

£[•]

Issue of up to £[•] Convertible Notes due 2025 created and issued by Bluerock Diamonds plc ("Company")

THIS IS TO CERTIFY THAT [•] of [•] is/are the registered holder(s) of £[•] of the Notes. The holders of the Notes are entitled *pari passu* and rateably to the benefit of and are subject to the terms and conditions contained in a deed made by the Company on2021 ("Deed").

EXECUTED as a DEED by)

BLUEROCK DIAMONDS PLC) acting by two Directors

.....

Director

.....

Director

Notes:

1. The Notes are convertible and shall bear Interest in accordance with the Deed.
2. This Certificate must be surrendered to the Company before any conversion can be registered or effected.
3. Any change of address of the Noteholder(s) must be notified in writing signed by the Noteholder(s) to the Company at the Registered Office.
4. The Notes are not transferable.
5. Words and expressions defined in the Deed shall bear the same meaning in this Certificate and in the Deed.
6. The Notes and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed

by, and construed in accordance with, the law of England and Wales. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Notes or their subject matter or formation (including non-contractual disputes or claims).

7. A copy of the Deed is available for inspection at the registered office of the Company.

This Certificate has been executed as a deed and is delivered and takes effect on the date of issue stated at the beginning of it.

SCHEDULE 2

Redemption and Conversion

- 1 On or after 1 December 2021 the Directors shall redeem the Notes (or the relevant Notes concerned) in exchange for and in satisfaction of the payment by the Company to the Noteholder of the principal amount of the Notes and the Interest (if any):
 - 1.1 at any time before the Maturity Date, following the occurrence of an Automatic Event, upon, and within 5 Business Days of, receipt of a Redemption Notice in respect of the Notes referred to in that notice (which shall be deemed to be all Notes held by that Noteholder unless the Redemption Notice states otherwise); or
 - 1.2 unless a Conversion Notice or Noteholder Notice of Conversion has previously been given in respect of the relevant Notes (and not withdrawn in accordance with paragraph 3), on the Maturity Date.
- 2 On or after 1 December 2021 the Directors shall convert the Notes (or the relevant Notes concerned) into the Conversion Shares at the Conversion Price in exchange for and in satisfaction of the principal amount of the Notes and the Interest (if any):
 - 2.1 at any time before or after the Maturity Date, at the election of a Noteholder in accordance with paragraph 5; or
 - 2.2 at any time before or after the Maturity Date, following the occurrence of an Automatic Event, upon receipt of a Conversion Notice in respect of the Notes referred to in that notice (which shall be deemed to be all Notes held by that Noteholder unless the Conversion Notice states otherwise).
- 3 A Redemption Notice shall be served on the Company in writing in accordance with clause 13 together with the Certificate for the Notes to be redeemed and such other evidence as the Directors may reasonably require to prove the title of the person serving the Redemption Notice. Once given, a Redemption Notice may not be withdrawn without the consent in writing of the Company.
- 4 In connection with redemption of any Notes:
 - (a) A Noteholder whose Note is due to be redeemed or purchased shall, not later than the due date for redemption, deliver to the Company in accordance with Clause 13 the Certificate for the relevant Notes (or an indemnity in accordance with Clause 3.5 where a certificate has been lost, defaced or destroyed) for cancellation. Upon delivery and against receipt (if the Company so requires) for the monies payable in respect of the Note, the Company shall pay to the Noteholder the redemption amount specified in paragraph 1 (subject to paragraph 12).
 - (b) If the Noteholder fails to comply with Condition 4(a):
 - (i) the Company may pay all amounts payable in respect of the Note into a separate interest bearing bank account;

- (ii) the payment of an amount into a bank account (a “deposited amount”) does not constitute the Company a trustee in respect of the amount and is deemed for all purposes to be a payment to the Noteholder, and the Company is discharged from all obligations in respect of the Note to that Noteholder;
 - (iii) the Company is not responsible for the safe custody of the deposited amount or related interest;
 - (iv) the Company is, and the Noteholder is not, entitled to interest accrued on the deposited amount; and
 - (v) if the deposited amount remains unclaimed after a period of ten years from the date of payment of the deposited amount into the account, the Noteholder ceases to be entitled to the amount and it shall then belong to the Company, notwithstanding that in the intervening period the obligation to pay the Noteholder may have been provided for in the Company’s books, accounts and other records.
- (c) Payments to redeem or purchase Notes in accordance with these Conditions may be made by or on behalf of the Company by:
- (i) cheque sent at the risk of the relevant Noteholder by post to the address shown on the Register against his respective name or, in the case of joint Noteholders, to the joint Noteholder who is first named on the Register, and made payable to the person to whom the cheque is sent; or
 - (ii) electronic transfer to the bank account of the Noteholder or, in the case of joint Noteholders, the bank account of the joint Noteholder first named on the Register, such account details to be provided in writing by the Noteholder to the Company and without liability of the Company for any loss or delay as a result of a bank transfer.
- (d) If the due date for payment of an amount in respect of a Note is not a Business Day, the Noteholder is not entitled to payment of the amount until the next following Business Day and is not entitled to any further Interest or other payment in respect of the resulting delay in payment.
- (e) Subject only to sub-paragraph (d), failing redemption or conversion of any Notes on the due date therefor in accordance with paragraph 1, such Notes shall from such due date bear Interest at the Interest Rate.
- 5 An election by a Noteholder under paragraph 2.1 ("**Noteholder Notice of Conversion**") or a Conversion Notice shall be served on the Company in writing in accordance with clause 13 together with the Certificate for the Notes to be converted and such other evidence as the Directors may reasonably require to prove the title of the person serving the Noteholder Notice of Conversion. Once given, a Noteholder Notice of Conversion or a Conversion Notice may not be withdrawn without the consent in writing of the Company.
- 6 The Conversion Date is the Business Day five Business Days after the Noteholder Notice of Conversion or Conversion Notice is served or, if later, five Business Days after the date on which the Directors are satisfied (acting reasonably) that the person serving the Noteholder Notice of Conversion or Conversion Notice has proven title in accordance with paragraph 4.
- 7 The Company shall:

- 5.1 on the Conversion Date allot and issue as at the Conversion Date to each Noteholder such number of Conversion Shares credited as fully paid at the Conversion Price to which he shall be entitled in respect of the Notes held by him (and such allotment and issue shall be in full satisfaction and discharge of the principal amount and the Interest (if any) in respect of the amount of the Notes so converted); and
- 5.2 following receipt of a Noteholder Notice of Conversion or Conversion Notice and if the Ordinary Shares are at that time admitted to trading on AIM or other stock exchange, procure that application is made promptly for such Ordinary Shares to be admitted to trading on AIM (or such relevant stock exchange as the Ordinary Shares are traded on from time to time) on and with effect from the Conversion Date.
- 8 The Company shall also procure that there is despatched to each Noteholder promptly after the Conversion Date free of charge a certificate for the Ordinary Shares arising on conversion if they are to be in certificated form or shall otherwise ensure that the relevant CREST or other relevant account is credited.
- 9 Ordinary Shares allotted in respect of any Notes so converted will be credited as fully paid and shall rank *pari passu* in all respects with the Ordinary Shares of the Company in issue on the Conversion Date except that such new Ordinary Shares will not rank for any dividend or other distribution declared for payment to holders of Ordinary Shares on the register at a record date falling before the Conversion Date.
- 10 The Company hereby covenants that, so long as the Notes remain convertible in accordance with this schedule the Company will ensure that it has the requisite share authorities to allot and issue Ordinary Shares in accordance with the provisions under this schedule and will maintain those authorities.
- 11 If there is an issue by the Company of equity shares or securities convertible into equity shares by way of capitalisation of profits or reserves or a capital distribution in respect of the share capital of the Company or any shares derived from it or a sub-division, consolidation or reduction of the share capital of the Company or any shares derived from it or any other reconstruction or adjustment or amalgamation relating to the share capital of the Company (or any shares derived from it) (an "**Equity Restructuring**"), the number of Conversion Shares and the Conversion Price shall be adjusted , in each case to such extent (if any) as the auditors for the time being of the Company confirm in writing to be in their opinion fair and reasonable. The certificate of the auditors will, in the absence of manifest error and fraud, be final, binding and conclusive on the Company and the Noteholders.
- 11 Notwithstanding the provisions of this schedule, the Notes of a Noteholder shall not (except with the prior written consent of the Noteholder(s) concerned expressly referring to this paragraph) be converted to the extent that the allotment and issue of Ordinary Shares on conversion would create any obligation for such Noteholder, or those deemed to be acting in concert with such Noteholder, to make a mandatory offer for the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers.
- 12 All sums payable by the Company in respect of the Notes, whether as interest or on the redemption of the Notes, shall be paid without any deductions or withholdings for or on account of taxes, levies, imposts, duties, charges or fees which the Company is required

by law to make. Where any deduction or withholding is applicable by law, the amount payable shall be increased such that, after taking into account the amount to be deducted or withheld from the payment, the Noteholder is in the same position as that in which it would have been if no deduction or withholding were required. The Company shall deliver to Noteholders any appropriate tax deduction or withholding certificates within 20 Business Days after the relevant payment is made (or, if later, promptly after the Company receives any such certificate from a relevant tax authority).

- 13 If at any time an offer or invitation is made by the Company to all holders of Ordinary Shares for the purchase by the Company of any of its Ordinary Shares, the Company shall simultaneously give notice thereof to the Noteholders and each such Noteholder shall have the right to exercise his conversion rights in accordance with this schedule at any time whilst such offer or invitation is open for acceptance, as if such Noteholder had exercised (subject to any adjustment pursuant to this schedule) his conversion rights immediately prior to the record date of such offer or invitation and any Conversion Shares arising on exercise of this right shall be included in the offer or invitations as if they had been Ordinary Shares in issue on the said record date.
- 14 If at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such persons or companies as aforesaid, the Company shall give notice to the Noteholders of such vesting within 14 days of its becoming so aware, and each such holder shall be entitled, to give a Conversion Notice in accordance with Clause 9 at any time prior to the date which is six months after such offer is or becomes unconditional in all respects, failing which all conversion rights shall lapse. Publication of a scheme of arrangement under the provisions of the Companies Act 2006 providing for the acquisition by any person of the whole or any part of the issued ordinary share capital of the Company shall be deemed to be the making of an offer for the purposes of this Condition 14 and reference herein to such an offer shall be read and construed accordingly.
- 15 If an order is made or an effective resolution is passed for winding up the Company (except for the purpose of reconstruction or amalgamation on terms sanctioned by a Special Resolution), each Noteholder shall (if, in such winding up and on the basis that all Notes then outstanding had been converted, there would be a surplus available for distribution amongst the holders of the Ordinary Shares which, on such basis, would exceed in respect of each Ordinary Share a sum equal to £0.249024 per share, as adjusted in accordance with this schedule) be treated as if immediately before the date of such order or resolution their conversion rights had been exercisable and had been exercised in full, on the terms on which the same could have been exercised immediately before the date of such order or resolution (as the case may be), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares such sum as they would have received had they exercised their conversion rights in full and become the holder of the Conversion Shares to which they would have become entitled by virtue of such conversion. Subject to the foregoing all conversion rights shall lapse on liquidation, winding up or dissolution of the Company.

SCHEDULE 3

Provisions for Meetings of Noteholders

1 CALLING OF MEETINGS

- 1.1 The Company may at any time convene a meeting of the Noteholders. The Company shall also convene a meeting of the Noteholders if so required in writing signed by the Majority Noteholders.
- 1.2 Every such meeting and every adjourned meeting shall be held at the registered office of the Company for the time being or such other place as the Company may specify.

2 NOTICE OF MEETINGS

- 2.1 At least 10 clear Business Days' notice of any meeting of Noteholders shall be given to the Noteholders.
- 2.2 Any such notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted at the meeting but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolution to be proposed. Any such notice shall include a statement to the effect that proxies may be appointed in accordance with the provisions of this schedule.
- 2.3 The accidental omission to give notice to, or the non-receipt of notice by, any of the Noteholders shall not invalidate the proceedings at any meeting.
- 2.4 Majority Noteholders may consent to shorter notice by means of a written resolution.

3 CHAIRMAN

A person (who need not be a Noteholder) nominated in writing by the Company shall be entitled to take the chair at a meeting of the Noteholders but if no such nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for the holding of the meeting the Noteholders present shall choose one of their number to be chairman.

4 QUORUM

At a meeting of the Noteholders one or more persons present in person or by proxy holding or representing a 75% majority of the Notes shall form a quorum for the transaction of business. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

5 ABSENCE OF QUORUM

If within 15 minutes from the time appointed for a meeting of the Noteholders a quorum is not present, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 or more than 42 clear days after the time of the original meeting, unless a different date is consented to by means of written resolutions from Majority Noteholders) and to such place as the chairman may decide. At such adjourned meeting, one or more Noteholders present in person or by proxy shall form a quorum.

6 NOTICE OF ADJOURNED MEETING

At least seven clear days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at such adjourned meeting.

7 ADJOURNMENT OF MEETING

The chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the original meeting.

8 VOTING AT A MEETING

Every question submitted to a meeting of Noteholders shall be decided by means of a poll.

9 MANNER OF TAKING POLL

9.1 A poll shall be taken in such manner below as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll.

9.2 Any poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment. A poll demanded on any other question shall be taken at such time and place as the chairman may direct. No notice need be given of a poll not taken immediately.

10 PERSONS ENTITLED TO ATTEND AND VOTE

Any persons duly authorised by the Company shall be entitled to attend and speak at any meeting of the Noteholders. No person shall otherwise be entitled to attend or vote at any meeting of the Noteholders unless he is registered as a Noteholder or is a representative of a corporation which is a Noteholder or a proxy of a person who is a Noteholder.

11 VOTING

11.1 At any meeting of Noteholders, on a poll every person who is so present shall have one vote in respect of every £1 nominal of Notes of which he is the holder or in respect of which he is a representative or proxy.

11.2 Without prejudice to the obligations of any proxies any person entitled to more

than one vote on a poll need not use all his votes or cast all the votes to which he is entitled in the same way.

- 11.3 In the case of joint Noteholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

12 PROXIES

- 12.1 A Noteholder may appoint a proxy (who need not be a Noteholder) by instrument in writing in any usual or common form or in any other form which the Directors may approve or accept. The instrument appointing a proxy shall be signed by the appointor or his agent authorised in writing or, if the appointor is a corporation, shall either be executed under its common seal or be signed by an agent or officer authorised for that purpose. The Company may, but shall not be bound to, require evidence of the authority of any such agent or officer.
- 12.2 An instrument appointing a proxy shall, unless the contrary is stated in it, be valid for any adjournment of a meeting as well as for the meeting to which it relates. No instrument appointing a proxy shall be valid after the expiration of 12 months from its date of execution.
- 12.3 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or (until registered) the transfer of the Note in respect of which the vote is given provided that no intimation in writing of such death, insanity, revocation or transfer was received by the Company at its registered office before the commencement of the meeting or adjourned meeting, or of the taking of the poll, at which the proxy is used.

13 DEPOSIT OF PROXIES

An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at such place as the Company may, in the notice convening the meeting, direct or, if no such place is appointed, at the registered office of the Company before the time appointed for holding the meeting or taking the poll at which the person named in the instrument proposes to vote and in default the instrument shall not be treated as valid.

14 CORPORATE REPRESENTATIVES

Any corporation which is a Noteholder may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Noteholders and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Noteholder present in person at the meeting.

15 POWERS OF MEETING

A meeting of the Noteholders shall in addition to all other powers (but without prejudice to any powers conferred on other persons in the Deed) have the following powers

exercisable only by Special Resolution, namely:

- 15.1 to sanction any proposal by the Company for any modification, abrogation, variation, compromise or extinguishing of, or arrangement in respect of, the rights of the Noteholders against the Company whether such rights arise under the Deed or otherwise;
- 15.2 to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, other obligations or securities of the Company or any other person or entity;
- 15.3 to assent to any modification of the provisions of this Deed which is proposed by the Company;
- 15.4 to authorise any person to execute and do all such documents, deeds, acts and things as may be necessary to carry out and give effect to any Special Resolution;
- 15.5 to give any authority or sanction which under the provisions of this Deed is required to be given by Special Resolution; and
- 15.6 to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Special Resolution.

16 EFFECT OF SPECIAL RESOLUTION

A Special Resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Deed shall be binding upon all the Noteholders, whether present or not at such meeting, and each of the Noteholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of any such resolution justify its passing.

17 MINUTES

Minutes of all resolutions and proceedings at every meeting of Noteholders shall be made and duly entered in books to be from time to time provided for that purpose by the Company. Any such minutes, if they purport to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Noteholders, shall be conclusive evidence of the matters therein contained. Until the contrary is proved, every meeting in respect of which minutes of the proceedings have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.

18 RESOLUTIONS IN WRITING

A Special Resolution in writing signed by Noteholders holding a majority of the Notes shall be as valid and effectual as if it had been passed as a Special Resolution at a meeting of the Noteholders duly convened and held. Such resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by one or more of the relevant Noteholders. Notice of the substance of any such resolution in writing shall be given to each Noteholder not a signatory to the resolution promptly after the passing thereof.

EXECUTED as a **DEED** by)

BLUEROCK DIAMONDS PLC) **acting by two Directors**

.....

Director

.....

Director

SCHEDULE 5

WARRANTIES

1 THE NOTE DOCUMENTS

- 1.1 All statements of fact contained in the Previous Announcements and the Note Documents are true and accurate in all respects and are not misleading in any material respect.
- 1.2 All expressions of opinion, intention or expectation contained in the Previous Announcements were honestly given, expressed or held and were the subject of due care and attention and were fairly based upon facts within the knowledge of the Company or any of the Directors and were made on reasonable grounds after due and proper consideration.
- 1.3 All expressions of opinion, intention or expectation contained in the Note Documents are honestly given, expressed or held and have been the subject of due care and attention and are fairly based upon facts within the knowledge of the Company or any of the Directors and are made on reasonable grounds after due and proper consideration.
- 1.4 There are no facts known to the Company (having made reasonable enquiry) which are not disclosed in the Previous Announcements and the Note Documents which by their omission would or might reasonably be considered to:
- (a) materially affect the import of the information contained in it; or
 - (b) make any statement in it (whether of fact or opinion) false or misleading in any material respect; or
 - (c) materially invalidate or qualify any assumption made in support of any statement in it (whether of fact or opinion); or
 - (d) be material for disclosure to the Subscribers.
- 1.5 The Note Documents and the issue or amendment of the CL Notes and the Existing CL Notes in accordance therewith will insofar as applicable comply with the requirements of the Companies Act 2006, MAR, the AIM Rules, the FSMA, the DTR and all other applicable laws, rules and regulations.

2 FINANCIAL STATEMENTS

- 2.1 The audited consolidated statement of financial position, income statement and statement of cash flows of the Group together with the notes, directors' report and auditors' certificate thereon as at and in respect of the accounting reference periods ended on the Accounts Date (the "**Financial Statements**"):
- (a) have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**Adopted IFRS**") and those parts of the Companies Act 2006 applicable to companies reporting under Adopted IFRS and, either make proper provision for or, where appropriate, include a note in accordance with Adopted IFRS, in respect of all liabilities, whether actual, deferred, contingent or disputed including: (i) financial lease commitments and pension liabilities; (ii) all capital commitments, whether actual or contingent, of the relevant company as at the relevant date; and (iii) all liabilities, whether actual, deferred, contingent or disputed of the relevant company for tax measured by

reference to income, profits or gains, earned, accrued or received during the relevant financial period or arising in respect of an event occurring or deemed to occur during the financial period; and

- (b) give a true and fair view of the state of affairs of the relevant company as at the end of each such period and of the profit or loss for each such period.

3 CURRENT FINANCIAL PERIOD

Save as disclosed in a Previous Announcement, since the Accounts Date:

- (a) each member of the Group has carried on its respective businesses in the ordinary and usual course;
- (b) there has been no material depletion in the net assets of the Group and there has been no material adverse change in the financial or trading position or prospects of the Group that does not accord with the usual annual pattern of trading;
- (c) no member of the Group has entered into any contract or commitment of a long term or unusual nature or which involves an obligation of a material nature or magnitude otherwise than in the ordinary and usual course which is material for disclosure;
- (d) no member of the Group has, other than in the normal course of business, acquired or disposed of or agreed to acquire or to dispose of any business, company or asset which is material for disclosure;
- (e) no dividends or other distributions have been declared, made or paid by any member of the Group; and
- (f) no member of the Group has incurred any material liability for taxation otherwise than in the ordinary course of business.

4 EVENTS OF DEFAULT – INDEBTEDNESS

No circumstances have arisen or, to the best of the knowledge, information and belief of the Company, are reasonably foreseeable by reason of any default by the Company or any other member of the Group such that any person is, or will, or would with the giving of notice and/or lapse of time and/or the satisfaction of any other condition become, entitled to require payment before its stated maturity of, or security for, any indebtedness in respect of borrowed money of the Company or any other member of the Group which has not been satisfied in full and, to the best of the knowledge, information and belief of the Company no person to whom any indebtedness for borrowed money of the Company or any other member of the Group which is payable on demand is owed presently proposes to demand payment of, or security for, the same, and no overdraft facility of the Company or any other member of the Group has been or is reasonably foreseen to be about to be, withdrawn.

5 EVENTS OF DEFAULT – GENERAL

No event has occurred or is subsisting or, to the best of the knowledge, information and belief of the Company is reasonably foreseeable which constitutes or results in or would with the giving of notice and/or lapse of time and/or the satisfaction of any other condition constitute or result in a default or the acceleration of any obligation under any agreement, instrument or arrangement to which any member of the Group is a party or by which they or any of their

properties, revenues or assets are bound and which would in any such case have a material adverse effect on the businesses, assets or prospects of the Group taken as a whole.

6 **INSOLVENCY**

No member of the Group has taken any action nor, to the best of the knowledge, information and belief of the Company have any other steps been taken or legal proceedings started or threatened against any member of the Group for its administration, winding up or dissolution or for it to enter into any arrangement or composition for the benefit of creditors or for the appointment of an administrative receiver, an administrator or a receiver, trustee or similar officer of it or any of their respective properties, revenues or assets nor have any orders been made for any of the foregoing.

7 **LICENCES AND COMPLIANCE WITH LAWS**

7.1 Each member of the Group has obtained all licences, permissions, authorisations and consents required for the carrying on of its business as it is currently carried on and which are, alone or together with one or more other such licences, permissions, authorisations and consents, material and such licences, permissions, authorisations and consents are in full force and effect and there are no circumstances of which the Company is aware which indicate that any of such licences, permissions, authorisations or consents may be revoked or not renewed or withdrawn or (except to an immaterial or beneficial extent) amended, in whole or in part, in the ordinary course of events.

7.2 Each member of the Group has complied and is complying in all material respects with all legal and regulatory requirements applicable to its current business activities and material in the context of the business of the Group as a whole.

7.3 The Company is not, nor has it at any time, engaged in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 and no Associated Person has bribed another person (within the meaning given in section 7(3) of that Act) intending to obtain or retain business or obtain or retain an advantage in the conduct of business for the Company. "**Associated Person**" means a person (including an employee, agent or subsidiary undertaking) who performs or has performed services for or on behalf of the Company.

7.4 The Company has in place adequate procedures, designed in line with guidance published by the UK Government from time to time pursuant to section 9 of the Bribery Act 2010, to prevent its Associated Persons from bribing another person (within the meaning given in section 7(3) of that Act) with the intention to obtain or retain business or obtain or retain an advantage in the conduct of business for the Company.

8 **LITIGATION**

No member of the Group nor any Director, nor any person for whom any member of the Group is or may be vicariously liable, has any claim outstanding against them or is engaged in or has been engaged in any legal or arbitration or similar proceedings which, individually or collectively, are of material importance in relation to the Group and, so far as the Company is aware, no such legal or arbitration or similar proceedings are threatened or pending nor, to the best of the knowledge, information and belief of the Company are circumstances reasonably foreseen which are likely to be about to give rise to any such legal or arbitration or similar proceedings; for this purpose "similar proceedings" includes any civil or criminal proceedings and any action by any governmental, public or regulatory authority (including any

investment exchange and any authority or body which regulates investment business or takeovers or which is concerned with mergers or taxation matters) which did or could result in public censure.

9 SHARES

9.1 Save as set out in the Financial Statements or in a Previous Announcement, there are in force no options or other agreements which call for the issue of or accord to any person the right to call for the issue of any shares or other securities in the capital of the Company or any of its subsidiary undertakings now or at any time hereafter.

9.2 None of the shareholders of the Company other than Teichmann Company Limited has any rights, in their capacity as such, other than as set out in the articles of association of the Company.

10 CAPACITY

The Company has the power and has taken or will take all corporate action required to create and issue the CL Notes, and to amend and restate the Existing CL Notes, in the manner proposed and to enter into and perform this Agreement and all authorisations, approvals, consents and licences required for the issue of the CL Notes, and to amend and restate the Existing CL Notes, and the entering into this Agreement and the other Note Documents by the Company have been obtained (save only for the Consent) and will (subject only to receipt of the Consent) at all material times be and remain in full force and effect.

11 INSURANCE

The businesses, undertaking and other assets of each member of the Group are insured to reasonably prudent levels having regard to the businesses carried on by the Company or any other member of the Group and against all risks against which the Company or any other member of the Group might reasonably be expected to insure in the particular circumstances of the businesses carried on by them and such insurances include all the insurances which the Company or any other member of the Group are required under the terms of any leases or any contracts to undertake and such insurances are in full force and effect and the Company is not aware of any circumstances which could render any of such insurances void or voidable and there is no material insurance claim made by or against any member of the Group, threatened, in writing or outstanding or, so far as the Company is aware, pending and all due premiums in respect thereof have been paid.

12 TAXATION

12.1 All taxation (whether of the United Kingdom or elsewhere), for which any member of the Group is liable or has been liable to account for, has been duly paid.

12.2 Any provision for taxation contained in the Financial Statements for the period ended on the Accounts Date, is or was sufficient at the time of the signing of such accounts to cover all taxation of any nature and in any jurisdiction for which any member of the Group is or was liable.

12.3 Since the Accounts Date no member of the Group has incurred any liability for taxation which has arisen otherwise than in the ordinary course of normal trading.

12.4 No member of the Group has been party to any contract or arrangement the principal purpose of which or one of the principal purposes of which was an avoidance or reduction of taxation.

12.5 No member of the Group is involved in any dispute with a taxation authority (whether of the United Kingdom or elsewhere) and, as far as the Company is aware, there are no circumstances which make it likely that any such taxation authority will initiate any investigations, enquiry or discovery assessment in respect of the Company within the next 12 months.

13 INTELLECTUAL PROPERTY

13.1 The Group has all necessary intellectual property rights, licences and permits required from any third party to enable it to carry on its business in all material respects as presently carried on. So far as the Company is aware, no member of the Group presently carries on any act which infringes any third party's rights which, were it to be required to stop, would be material.

13.2 The Group has taken all steps reasonably necessary to protect all Intellectual Property Rights currently used by the Group which are, or could through registration or the taking of any other steps, become its property; and all agreements whereby the Group is authorised to use any such Intellectual Property Rights are in full force and effect nor, so far as the Company is aware, has there been any infringement by any member of the Group of Intellectual Property Rights held by third parties which would have a material adverse effect on the business, assets or prospects of the Group.

14 CONTRACTS

14.1 To the best of the knowledge, information and belief of the Company there is no invalidity, or ground for termination, rescission, avoidance, repudiation or disclaimer, of any agreement, undertaking, instrument or arrangement to which any member of the Group is a party or by which any member of the Group or any of its assets are bound and which is material to the Group or adversely affects or is likely to have an adverse effect on the financial position of any member of the Group.

14.2 No member of the Group has received notice of any intention to terminate, repudiate or disclaim any agreement, undertaking, arrangement or obligation referred to in paragraph 17.1 above.

14.3 No event has occurred and is subsisting or is about to occur which constitutes or would constitute a default under, or result in the acceleration by reason of default of, any obligations under any agreement, undertaking, instrument or arrangement to which any member of the Group is a party or by which it or any of its properties, revenues or assets are bound and which would in any such case be material to the Group or would or be likely to have a material adverse effect on the business, assets, prospects or financial or trading condition of any member of the Group.

15 LICENCES

15.1 The Group has good title to each of Licences and the table set out at Schedule 6 is true, accurate and not misleading and is a complete list of all licences either held by or on behalf of the Group.

15.2 All payments due to the relevant authorities in respect of the Licences have been paid in full to the extent that it has fallen due for payment.

- 15.3 All conditions relating to the Licences have been complied with in all material respects, such Licences are valid, in full force and effect and the Company is not aware of any fact or circumstance which is likely to cause any of the Licences to lapse or to be withdrawn, revoked or terminated before its stated expiry or not to be renewed, in whole or in part, or to be declared invalid, or which is reasonably likely to cause the Company to cease to have an interest in any of the Licences.
- 15.4 The Company's material obligations under the Licences (including, without prejudice, the work programme in respect of each Licence) have been duly complied with by all the parties thereto in all material respects and, so far as the Company is aware, there are no circumstances likely to give rise to any breach of such terms.
- 15.5 So far as the Company is aware, there are no actual or threatened inspections or investigations or any alleged violations concerning the Licences and no proceedings, actions or claims are pending impugning the title, validity or enforceability of any of the Licences.
- 15.6 The interests of the Group in the Licences are not subject to any Adverse Interest and there is no agreement or obligation in place to create any Adverse Interest over the same.
- 15.7 So far as the Company is aware, there are currently no restrictions over any of the Licences which prevent or would prevent such Licence being relied upon now or in the future for their present use, the consequences of which would be material in the context of Admission.
- 15.8 The Group has, or has the benefit of, all necessary rights, easements, interests, covenants (restrictive or positive), conditions, restrictions, exceptions, reservation conditions or other encumbrances necessary in order to enable it to exercise its rights arising from the Licences in the manner in which they are currently exercised.
- 15.9 All operations carried out by any member of the Group in the areas which are the subject of the Licences have been carried out in accordance with all material applicable legislation and regulations and any orders, consents or permissions made or given thereunder.
- 15.10 The Group is in compliance with all material obligations imposed by all regulatory and governmental authorities or any other authority on its operations licenced by the Licences.
- 15.11 All material royalties, rentals and other payments due in accordance with the Licences or which are required to be paid in order to access and develop the properties over which the Licences are held have been timely and properly paid in full on or before the due dates thereof.

16 ENVIRONMENTAL MATTERS

Each company in the Group is and always has been in compliance in all material respects with all Environmental Laws and in particular has obtained and complied with the terms and conditions of all necessary permits and licences and other authorisations required in relation to the operations of its business and has filed all notifications that are required, and, so far as the Company is aware, there are in relation to each company in the Group no past or present events, conditions, circumstances, activities, practices or incidents which materially interfere with or prevent compliance with or which give rise to any liability under Environmental Laws or otherwise form the basis of any claim, action, suit, proceedings, hearing or investigations relating to the environment or any breach of Environmental Laws, nor has any company in the Group been notified of any such liability or breach.

17 EMPLOYMENT

- 17.1 Except as Disclosed, no company in the Group is aware that (i) any executive, key employee or significant group of employees of the relevant company plans to terminate employment with the company; or (ii) any such executive or key employee is subject to any non-compete, non-disclosure, confidentiality, employment, consulting or similar agreement which would be violated by the present or proposed business activities of the relevant company.
- 17.2 There are no amounts owing or promised to any present or former director or employee of any company in the Group other than remuneration accrued due or for reimbursement of business expenses and no liability has been incurred by any company in the Group for breach of any contract of service, contract for services or consultancy agreement.
- 17.3 No company in the Group has any obligation to contribute towards the pension arrangements of its directors or employees or former directors or employees other than as disclosed in a Previous Announcement.

SCHEDULE 6

LICENCES

Mining Right NC081MR for diamonds executed on 21 August 2007 and registered in the Mineral and Petroleum Titles Registration Office ("MPTRO") on 18 September 2007 under registration MPT number 70/2007 MR over the Kareevlei Tenements (defined below), which lapsed on 20 August 2019. The Department of Mineral Resources have confirmed the lodging of a renewal application and that the licence will remain in force until such time as the application has been granted or refused.

Kareevlei Tenements:

Portion 1 (Weshoek) of the farm 113 measuring 428.2660 hectares, Portion 2 (Klipvlei) of the farm 113 measuring 999.2873 hectares, Portion of portion 2 (Kreeboompan) of the farm 142 measuring 529.0229 hectares and the remainder of the farm no.113 (Skietfontein) measuring 1427.5533 hectares all situated in the magisterial district of Barkly West, Northern Cape Province.

SCHEDULE 7

FORM OF RELATIONSHIP AGREEMENT

Dated June 2022

TEICHMANN COMPANY LIMITED
as Shareholder

and

BLUEROCK DIAMONDS PLC
as BRD or the Company

and

S.P. ANGEL CORPORATE FINANCE LLP
as SP Angel

RELATIONSHIP AGREEMENT

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THIS DEED is made on June 2022

PARTIES

- (1) **TEICHMANN COMPANY LIMITED**, incorporated in Mauritius with number 103528 C1/GBL, whose registered office is at No 2, Quarter des Terminalias, Labourdonnais. Mapou, Rivière du Rempart, 31803, Mauritius as Shareholder (the "**Shareholder**").
- (2) **BLUEROCK DIAMONDS PLC**, incorporated in the England with number 08248437, whose registered office s at 4th Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS ("**BRD**" or the "**Company**").
- (3) **S.P. ANGEL CORPORATE FINANCE LLP**, incorporated in England with number OC317049, whose registered office is at Prince Frederick House 4th Floor, 35-39 Maddox Street. London. W1S 2PP as SP Angel (the "**SP Angel**").

BACKGROUND

- (A) The Company's issued Ordinary Share capital is admitted to trading on the London Stock Exchange's AIM market.
- (B) The Company is seeking to raise further finance and the Shareholder (among others) has agreed to provide the same on the terms of a subscription agreement ("**Subscription Agreement**") made on the same date as this Deed (the "**Teichmann Subscription**").
- (C) The Company has asked SP Angel and the Shareholder to enter into this document as a Deed in anticipation of the Teichmann Subscription, to manage the relationship between them.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In this document:

"**AIM**" means AIM, a market operated by the Exchange.

"**AIM Rules**" means the 'AIM Rules for Companies' as published by the London Stock Exchange from time to time.

"**Applicable Laws**" means the Companies Act 2006, the Financial Services and Markets Act 2000, the AIM Rules for Companies as published by the Exchange from time to time, the AIM Rules for Nominated Advisers published by the Exchange from time to time, the Takeover Code and MAR).

"**Applicable Period**" means the total period from and including the date of this Agreement until and excluding the date on which the aggregate number of Voting Rights in which the Shareholder or any Shareholder Person is interested first falls below 10% of the Voting Rights then in existence.

"**Associate**" means in relation to any party:

- (a) any subsidiary or holding company of that party and each and any subsidiary of a holding company of that party; and
- (b) any person that Controls, is Controlled by or is under common Control with that party.

"**Board**" means the Company's board of directors.

"**Board Reserved Matter**" means a matter listed in Schedule 1.

"**Business Day**" means any day which is not a Saturday or Sunday or a bank or other public holiday in England.

"**Confidential Information**" has the meaning given in clause 6.4.

"**Control**" with respect to any person, the direct or indirect power to:

- (a) direct or cause the direction of the management and policies of such person;
- (b) elect a majority of the directors, partners or other persons exercising similar authority in respect of such person; or
- (c) direct or cause the direction of a voting interest of more than 30%,

and **Controls**, **Controlling** and **Controlled** by shall be construed accordingly

"**Director Nomination Notice**" has the meaning set out in clause 3.1.

"**Director Removal Notice**" has the meaning set out in clause 3.3.

"**Dispose or Disposal**" to directly or indirectly, unconditionally or conditionally, transfer, sell, charge, grant options or otherwise dispose, or agree to do so.

"**Equity Securities**" has the meaning given to "equity securities" in the Companies Act 2006.

"**Exchange**" means the London Stock Exchange.

"**Group**" means the group of undertakings of which the Company is the parent undertaking, from time to time.

"**Group Member**" means a company within the Group.

"**Independent Directors**" means each of the following persons (in each case only for so long as they are a Director):

- (a) Michael Houston, Tim Leslie and David Facey or any non-executive Director who is to be treated as independent in accordance with the UK Corporate Governance Code (or would be so treated were the UK Corporate Governance Code to apply to the Company);
- (b) any non-executive Director who is not the Shareholder nor a Nominated Director nor an employee or director of or a person acting in concert (as interpreted under the Takeover Code) with:
 - (i) the Shareholder; nor

- (ii) any significant investor in the Company (excluding Tim Leslie); nor
 - (iii) any professional adviser or lender to the Company; nor
 - (iv) any organisation with whom the Company or the Shareholder has a significant business relationship; and
- (c) any Director whom any Independent Director and SP Angel (acting together) notify the Shareholder is to be treated as an Independent Director for the purposes of this document including any Executive Director who is independent of the Shareholder.

"**MAR**" means the Market Abuse Regulation (EU 596/2014) as applied in the United Kingdom from time to time.

"**Nomad Rules**" the AIM Rules for Nominated Advisers published by the Exchange from time to time.

"**Nominated Director**" any Director nominated by the Shareholder under clause 3 and appointed to the Board from time to time.

"**Ordinary Shares**" means ordinary shares in the Company from time to time.

"**QCA Code**" means the Corporate Governance Code published by the Quoted Companies Alliance.

"**Relevant Shares**" any Ordinary Shares in which the Shareholder or any member of the Shareholder Group has an interest from time to time including any Ordinary Shares which are derived as a result of any consolidation, subdivision, capitalisation issue or other capital distribution, rights issue or open offer.

"**Shareholder Documents**" means each of:

- (a) the Subscription Agreement; and
- (b) the Note Documents, as defined in the Subscription Agreement.

"**Shareholder Person**" means the Shareholder or any Associate of the Shareholder.

"**Takeover Code**" means the City Code on Takeovers and Mergers that is issued and administered by the Panel on Takeovers and Mergers (the "**Takeover Panel**"), a body with statutory functions under UK law set out in Part 28 of the UK Companies Act 2006.

"**Voting Rights**" all rights and powers (including, without limitation, voting rights) attaching to the Ordinary Shares in which the Shareholder, any member of the Shareholder Group or any of them is interested from time to time.

"**Wholly-owned Associate**" means an Associate that is 100% owned, controlled or managed.

1.2 In this document:

- (a) headings are for convenience only and do not affect the construction of this document;
- (b) references to Clauses are to the clauses of this document;

- (c) words denoting the singular include the plural and vice versa, words importing gender include all genders and words denoting persons include corporations, unincorporated associations and partnerships;
- (d) references to any statute or statutory provision include any statutory modification re-enactment of it (in each case as in force at the applicable time) and any subordinate legislation made under it;
- (e) the meaning of general words introduced by "other", "include" or "including" is not restricted as a result of them being preceded by words indicating a particular class of acts, matters or things or being followed by particular examples intended to be embraced by the general words;
- (f) any reference to any English legal term in relation to any legal concept shall, in respect of any jurisdiction other than England and Wales, be deemed to include an additional and separate reference to the legal concept which in that jurisdiction most nearly corresponds or approximates to that English legal term;
- (g) "**Party**" means any and each of the Shareholder. SP Angel and BRD, unless the context requires otherwise; and
- (h) references to hours of the day are to the time as it is in England and any cross- reference to a particular time mentioned elsewhere in this document is to such time on the relevant date.
- (i) Any undertaking given by the Shareholder (or applied to any Shareholder Person) in this document is given solely in its capacity as a shareholder in the Company and not in any other capacity, including as creditor or contract counterparty.

2 MAIN UNDERTAKINGS

2.1 During the Applicable Period, the Shareholder shall exercise all Voting Rights and shall abstain (where appropriate) from the exercise of such Voting Rights in such a way so as to ensure that (in so far as it is able to do so):

(a) Independent Operation

Each Group Member is capable at all times of carrying on its business independently of all Shareholder Persons other than:

- (i) in relation to the Shareholder, by any representative of it acting in their capacity as a Nominated Director or a director or an employee of a Group Member); or
- (ii) pursuant to the Shareholder Documents; and

(b) Arm's Length Transactions

All transactions, agreements or arrangements entered into between a Group Member (on the one hand) and a Shareholder Person (on the other) will only be made (and the Company confirms that the Shareholder Documents have been made):

- (i) at arm's length;
- (ii) on a normal commercial basis; and

- (iii) with the prior approval (confirmed in writing) of the Independent Directors and, if there is only one, with SP Angel's prior written consent also; and

(c) Independent Directors

There are at least two Independent Directors;

(d) Constitution

No changes are made to the Company's articles of association which would impede the Company's ability to carry on its business independently of any Shareholder Person (save pursuant to the Shareholder Documents); and

(e) Board Reserved Matters

Only the Independent Directors shall be permitted to vote on any resolution of the board in respect of a Board Reserved Matter (unless all the Independent Directors otherwise consent), but for the avoidance of doubt this shall exclude any matter relating to any Shareholder Person (in any matter representative of its capacity as a counterparty to a Shareholder Document) required to be considered and approved by the Audit Committee.

(f) Conflicts of Interest

Where Applicable Law prohibits it from doing so, it does not vote on any matter:

- (i) in which it or any Shareholder Person is interested (otherwise than by virtue of its Voting Rights); or
- (ii) in respect of which there is an actual or potential conflict between its interests (or the interests of any Shareholder Person) on the one hand and the interests of any Group Member on the other.

2.2 For the avoidance of doubt, clause 2.1 shall not prevent or otherwise restrict the Shareholder from exercising Voting Rights in its own self-interests where permitted by Applicable Law to do so.

2.3 During the Applicable Period, the Shareholder shall (so far as it is able to do so):

(a) AIM Rules and Corporate Governance

- (i) Comply with the AIM Rules in relation to the Company insofar as applicable to it;
- (ii) Not do anything which would or could reasonably be expected to prevent the Company from complying with the AIM Rules;
- (iii) Not do anything which would or could reasonably be expected to prevent the Company from complying with the QCA Code;

(b) Constitution

Comply with all provisions in the Company's articles of association, including those relating to the disclosure of interests in shares;

(c) No Market Abuse

Not contravene Part V of the UK Criminal Justice Act 1993 (concerning insider dealing) or MAR;

(d) No Solicitation of Group Staff

Not recruit or solicit or entice away any employee of any Group Member.

3 NOMINATED DIRECTOR

3.1 During the Applicable Period, the Shareholder shall have the right to nominate one Nominated Director to the board of directors of the Company and to remove from office any person so appointed and to nominate for appointment another person in that person's place. Any such nomination shall be made by giving notice in writing to the Company (copied to SP Angel) (a "**Director Nomination Notice**").

3.2 During the period from and including the date of Second Completion of the Subscription Agreement until and excluding the date on which the aggregate number of Voting Rights in which the Shareholder or any Shareholder Person is interested first falls below 20% of the Voting Rights then in existence, the Shareholder shall have the right to nominate:

(a) a second Nominated Director to the board of directors of the Company and to remove from office any person so appointed and to nominate for appointment another person in that person's place. Any such nomination shall be made by giving a Director Nomination Notice; and

(b) if the total number of Independent Directors is three, a third Nominated Director (or, if the total number of Independent Directors exceeds three, such number of total Nominated Directors as equals the number of Independent Directors) to the board of directors of the Company and to remove from office any person so appointed and to nominate for appointment another person in that person's place. Any such nomination shall be made by giving a Director Nomination Notice.

3.3 The Shareholder may require the removal of a Nominated Director by giving notice in writing to the Company and the Director being removed (copied to SP Angel) (a "**Director Removal Notice**"). The Shareholder shall indemnify and keep indemnified the Company against any claim connected with the removal of a Nominated Director from office.

3.4 The Shareholder shall consult with the Company and SP Angel before issuing a Director Nomination Notice or a Director Removal Notice. The Shareholder agrees and acknowledges that the appointment or removal of a Nominated Director shall be subject to the prior written approval of SP Angel (which shall not be unreasonably withheld, delayed or conditioned) following all such due diligence as it deems appropriate in order to assess the ongoing appropriateness of the Company for admission to trading on AIM in accordance with the Nomad Rules.

3.5 Should SP Angel object to any person identified in a Director Nomination Notice on the basis that such person may be unsuitable for an AIM-listed company, SP Angel and the Company shall promptly communicate such objection and the reasons therefor to the Shareholder and SP Angel and the Company shall use their respective reasonable efforts to facilitate the resolution of such objection (including through the procurement of further information in respect of such person).

- 3.6 Following receipt of a Director Nomination Notice or a Director Removal Notice and subject to receipt of the approval of SP Angel in accordance with clause 3.4, the Company shall seek to procure such appointment or removal of the Nominated Director/s in accordance with and subject to the Company's articles of association and Applicable Laws.
- 3.7** The Company shall pay director fees to each Nominated Director on the basis of the same annual fees as are paid to Independent Directors (including any additional fees for any committee membership) and shall pay or reimburse each Nominated Director any expenses properly incurred by each Nominated Director in fulfilling his or her duties. The Company and each Nominated Director shall (and the Shareholder shall procure that each Nominated Director shall) enter into a non-executive director agreement reflecting the same and otherwise on such terms as are consistent with those for non-executive Independent Directors and otherwise as the Company, SP Angel and the Shareholder may reasonably require. The Shareholder and the Nominated Directors may waive payment of any such fees from time to time at their absolute discretion. If any Nominated Director is appointed as an executive director of the Company, the remuneration payable to such Nominated Director shall be on the same basis as remuneration is paid to other executive directors of the Company, and the Company and any such Nominated Director shall (and the Shareholder shall procure that any such Nominated Director shall) enter into an executive director services agreement reflecting the same and otherwise on such terms as are consistent with those for executive directors.
- 3.8 Each party acknowledges and agrees that no provision of this document shall require any Nominated Director to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), including where such action or inaction would be contrary to the fiduciary duty of that Nominated Director or to any Applicable Law or regulation and no Nominated Director shall have any obligation to take or not take an such action nor to recommend anyone else to do so or not to do so.

4 ANTI-DILUTION

- 4.1 The Company undertakes to the Shareholder that the Shareholder shall have the right, but not the obligation, to participate in any issue of Ordinary Shares or other Equity Securities by the Company by subscribing, on the terms referred to in clause 4.2, for such number of Ordinary Shares or other Equity Securities as will ensure that the total proportion of all Voting Rights (calculated on a fully diluted basis) held by the Shareholder in which the Shareholder is interested is not reduced following such issue, provided that, to the extent that the Shareholder does not agree to participate in any such issue of Ordinary Shares or other Equity Securities in accordance with such entitlement within twenty Business Days after being notified in writing of such entitlement in accordance with clause 4.33, the Company shall be free to offer such Ordinary Shares or Equity Securities not taken up by the Shareholder to such persons as the Board may think fit.
- 4.2 If the Shareholder exercises its right to subscribe for Ordinary Shares or other Equity Securities under clause 4.1, the subscription price shall be no greater than that paid by any other subscriber in that issue of Ordinary Shares or Equity Securities and any other terms of the subscription shall be no less favourable to the Shareholder than those applicable to any other participant in the relevant issue of Ordinary Shares or Equity Securities.
- 4.3 The Company must notify the Shareholder, as soon as reasonably practicable prior to any issue of Ordinary Shares or other Equity Securities to which clause 4.1 relates, the number of Ordinary Shares or other Equity Securities to be issued, the proposed consideration for the

Ordinary Shares or other Equity Securities to be issued and any other terms of such issue of Ordinary Shares or other Equity Securities.

- 4.4 For avoidance of doubt, clause 4.1 shall apply to any share for share exchange (including an issuance of Ordinary Shares or other Equity Securities to investors for non-cash consideration by way of a so-called cash-box placing), any issue of shares for assets, any grant or exercise of an option forming part of any employee share scheme and any rights to subscribe for shares existing as at the date of this Deed. Any transfer of Ordinary Shares by the Company out of treasury shall be deemed an issue of Ordinary Shares for the purposes of this clause 4. In case of a share for share exchange, the relevant issue price shall be such price as is deemed to be paid up on the shares being issued. In the case of exercise of an option forming part of an employee share scheme, the issue price shall be the relevant option exercise price.
- 4.5 Without prejudice to clauses 4.1 to 4.4, the Company agrees that, if at any time it is proposed to issue options or other convertible securities to directors, employees or consultants of the Group by way of incentive related to such role(s), such issue shall require the prior approval of the Shareholder or of the Nominated Director(s) on its behalf (including at a Board meeting).

5 SHAREHOLDER ASSOCIATES

- 5.1 The Shareholder shall ensure that each Shareholder Person complies in all relevant respects with each provision in Clause 2 (*Main undertakings*) as if such Shareholder Person was an additional party to this document and as if each reference to the Shareholder in those provisions contained (where applicable) an additional and separate reference to such Shareholder Person.
- 5.2 The Company shall ensure that each Shareholder Person shall have the benefit in all relevant respects of each provision in Clause 3 (*Nominated Director*) and Clause 4 (*Anti-Dilution*) as if such Shareholder Person was an additional party to this document and as if each reference to the Shareholder in those provisions contained (where applicable) an additional and separate reference to such Shareholder Person

6 CONFIDENTIALITY

- 6.1 Each party undertakes that it shall not, at any time, disclose to any person any Confidential Information, except as permitted by clause 6.2.
- 6.2 Each party may disclose another party's Confidential Information:
- (a) to its Representatives (as defined below) who reasonably require such disclosure. Each party shall procure that its Representatives to whom it discloses another party's Confidential Information understand the confidential nature of the Confidential Information and comply with this clause 6;
 - (b) in compliance with any law, regulation or the rules of a governmental or regulatory authority or any relevant tax or value added tax authority or stock exchange (including the Exchange, the Financial Conduct Authority and the Takeover Panel); and
 - (c) in connection with any legal, governmental or regulatory proceedings.
- 6.3 Subject to the exceptions in clause 6.2, no party shall use or disclose another party's Confidential Information for any purpose other than to perform its obligations under this deed.

- 6.4 For the purposes of this clause 6, **Confidential Information** means all confidential information (however recorded or preserved) disclosed by a party or its employees, officers, representatives or advisers (together its “**Representatives**”) to any other party and that party's Representatives whether before or after the date of this deed, concerning any information that would be regarded as confidential by a reasonable business person relating to:
- (a) the business, affairs, customers, clients, suppliers, plans , intentions, or market opportunities of the disclosing party (or of any Associate of the disclosing party); and
 - (b) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing party (or of any Associate of the disclosing party).

- 6.5 The provisions of this clause 6 shall not apply to any Confidential Information that:
- (a) is or becomes generally available to the public (other than as a result of its disclosure by the receiving party or any of its Representatives in breach of this deed);
 - (b) was available to the receiving party on a non-confidential basis before disclosure by the disclosing party;
 - (c) was, is or becomes available to the receiving party on a non-confidential basis from a person who, to the receiving party's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the receiving party;
 - (d) is required to be disclosed by law, court order, a governmental agency or in accordance with, a party’s obligations (including the AIM Rules and MAR); or
 - (e) the parties agree in writing is not confidential or may be disclosed.

7 NOTICES

7.1 Any notice to be given under or for the purposes of this document shall be in writing for the attention of the person stated below and served personally or sent (within the UK) by pre-paid registered mail to the respective address stated at the beginning of this document or by email as set out below (with the email to be headed 'BRD Relationship Agreement - notice under Clause 7.1'), or as the person required to receive such notice may otherwise from time to time notify to the other person giving the notice

	Attention	Email
Shareholder	Claude Holton	ClaudeH@teichmanngrp.com
Company	David Facey	dfacey@bluerockdiamonds.co.uk
SP Angel	Stuart Gledhill	Stuart.gledhill@spangel.co.uk

- 7.2 Any such written notice shall be deemed to have been served;
- (a) if delivered personally, at the time of delivery;

- (b) if posted in the same country as the delivery address, at 10.00 a.m. on the second Business Day after It was put pre-paid into the post;
 - (c) if posted within the UK to an address in the other of such territory, at 10.00 a.m. (local time) on the fifth Business Day after it was put pro-pa id into the post by airmail, and
 - (d) If sent by email, at the time of effective transmission.
- 7.3 In proving such service by post it shall be sufficient to prove that the letter containing the notice was properly addressed and delivered or put into the post as a pre-paid registered letter (sent, if overseas, by airmail).

8 GENERAL

8.1 SP Angel

All rights exercisable by SP Angel under this document are exercisable by it entirely at its discretion without any obligation on its part to any person to exercise any such right or as to the manner in or extent to which it does so or omits to do so. SP Angel will not be liable to anyone for any act or omission of any kind on their part, or for any exercise of SP Angel's discretion in any way, in respect of any such rights.

8.2 Equitable remedies

Each party confirms that, if it breaches a provision in this document or if any other party has reasonable grounds for anticipating that a breach of any such provision may occur:

- (a) damages may not be a wholly adequate remedy for such breach or anticipated breach, and
- (b) the appropriate remedy may be an injunction, specific performance or other equitable relief (in addition to or instead of damages).

8.3 Invalidity

If any provision in this document is held to be illegal, invalid or unenforceable (in whole or in part), it shall be deemed not to form part of the agreement recorded by this document but the remaining provisions in this document shall continue in full force and effect.

8.4 No third party rights

The provisions of this document shall be enforceable as set out in Clause 5 by each Shareholder Person other than the Shareholder pursuant to the Contracts (Rights of Third Parties) Act 1999 of England, Wales and Northern Ireland. If at any time SP Angel (or any replacement nominated adviser) ceases to be the Company's nominated adviser under the AIM Rules, the nominated adviser then appointed shall be entitled to enforce the rights (subject to the obligations) of SP Angel under this document. Save as aforesaid, no term of this document is enforceable by any person other than a party to this document whether pursuant to the Contracts (Rights of Third Parties) Act 1999 of England, Wales and Northern Ireland or otherwise. This document may be rescinded, or varied in any respect, by agreement between its parties without the need for any consent from any third party (including any other Group Member or any other Shareholder Person or any replacement nominated adviser). This document may also be terminated in accordance with its terms without the need for any consent from any third party.

8.5 Waivers

No neglect, delay or indulgence on any party's part in enforcing any right or remedy in respect of this document shall be construed as a waiver of any such right or remedy. No single or partial exercise of any right or remedy on its part shall preclude or restrict the further exercise or enforcement of any such right or remedy. No consent or approval which may be given by any party for the purpose of this document shall constitute a waiver by it of any breach of this document by any other party unless and to the extent that such consent or approval is expressed to do so.

8.6 Whole agreement and variation

This document (together with any documents referred to in it) constitutes the whole agreement between its parties and, with effect from the date of this document, supersedes any earlier arrangement or agreement between them relating to its subject matter

9 GOVERNING LAW

- 9.1 This document is governed by, and is to be construed in accordance with, English law. The courts of England have exclusive jurisdiction to hear and decide and settle any action, dispute, proceedings or suit which may arise out of or in connection with this document (collectively "**Litigation**") and, for these purposes, each party irrevocably submits to the exclusive jurisdiction of the courts of England.
- 9.2 Each party irrevocably waives any objection which he or it might have to the courts of England being nominated as the forum for Litigation and agrees not to claim that the courts of England are not a convenient or appropriate forum for it. A judgement or order of the courts of England in respect of any Litigation will be conclusive and binding on the party or parties against whom it is made and may be enforced against it or them in the courts of any other jurisdiction.
- 9.3 This Clause 9 will not limit the rights of any party to take proceedings in another court of competent jurisdiction for the purpose of enforcement or execution of any judgement or other settlement in such court or where it is itself subject to proceedings in such court which are directly related to the matter which is the subject of the action to be brought by it.
- 9.4 The documents which start any Litigation and any other documents required to be served in relation to it may be served by any party in accordance with Clause 7 (*Notice*).

This Deed has been executed as a Deed and delivered on the date stated at the beginning of this Deed.

SCHEDULE 1

BOARD RESERVED MATTERS

- 1 Any agreement or arrangement, or any variation, amendment or novation of any agreement or arrangement, with any Shareholder Person, including any variation, amendment or novation of this deed and any Shareholder Document.
- 2 Any decision as to whether to enforce any agreement or arrangement with a Shareholder Person, including this deed and any Shareholder Document.
- 3 The adoption, amendment, replacement or abandonment of the corporate governance regime adopted by the Company from time to time.
- 4 The adoption, amendment, replacement or abandonment of the terms of reference for any board committee.
- 5 The cancellation of the admission of the Company's shares to trading on AIM.

EXECUTION PAGE

SHAREHOLDER

EXECUTED as a **DEED** by)
TEICHMANN COMPANY LIMITED)
acting by a duly authorised signatory)
in the presence of:)

Witness' signature:

Witness' name:

Address:

Occupation:

BRD/COMPANY

EXECUTED as a **DEED** by)
BLUEROCK DIAMONDS PLC)
acting by a duly authorised signatory)
in the presence of:)

Witness' signature:

Witness' name:

Address:

Occupation:

SP ANGEL

EXECUTED as a **DEED** by)
S.P. ANGEL CORPORATE)
FINANCE LLP) Member _____
acting by two members:)
Member _____

SCHEDULE 8

KVM GOVERNANCE AGREEMENT

KAREEVLEI GOVERNANCE AGREEMENT

regarding inter alia

certain governance arrangements

between

BlueRock Diamonds Plc and Kareevlei Mining Proprietary Limited

and

Teichmann Company Limited and Teichmann South Africa Proprietary Limited

and

**Ghaap Mining Proprietary Limited (if the contemplated deed of adherence is entered into
by it)**

in relation to the

Kareevlei and the Kareevlei Diamond Mine



<u>AGREEMENT</u>		
1.	Background	<p>1.1 <u>BlueRock Group</u></p> <p>1.1.1 BlueRock was incorporated in England and Wales to acquire or invest in under exploited diamond mines in South Africa and sub Saharan Africa. BlueRock was admitted to trading on the AIM market of the London Stock Exchange in September 2013.</p> <p>1.1.2 BlueRock holds 74% of the shares in Kareevlei, with the balance of the shares held by Ghaap.</p> <p>1.1.3 Kareevlei owns and operates the Kareevlei Diamond Mine (Kareevlei Project). Kareevlei holds a mining right over 3,000 hectares in the Northern Cape province of South Africa, approximately 100 kilometres North West of Kimberley.</p> <p>1.2 <u>Teichmann Group</u></p> <p>The Teichmann Group has extensive experience in the fields of construction, mining and agriculture and provides these services throughout Southern, Central and West Africa.</p> <p>1.3 <u>Current arrangements between the BlueRock Group and the Teichmann Group</u></p> <p>1.3.1 The BlueRock Group and the Teichmann Group have had a long association. As at the Signature Date, inter alia:</p> <p>1.3.1.1 Teichmann South Africa provides mining contracting services to Kareevlei in relation to the Kareevlei Project under the Mining Services Agreement;</p> <p>1.3.1.2 As at the Signature Date, Kareevlei owes an amount of approximately R24,500,000 to Teichmann SA for services provided by Teichmann SA to it under the Mining Services Agreement;</p> <p>1.3.1.3 Teichmann Mauritius has subscribed for certain convertible loan notes issued by BlueRock under the Existing CLNI;</p> <p>1.3.1.4 Teichmann Mauritius holds ca 11.39% of the issued shares of BlueRock; and</p> <p>1.3.1.5 Teichmann Mauritius has the right to nominate a person for appointment to the BlueRock Board.</p> <p>1.4 <u>Envisaged arrangements between the BlueRock Group and the Teichmann Group</u></p> <p>1.4.1 The Parties intend for:</p> <p>1.4.1.1 Teichmann Mauritius amongst other agreed persons to provide further funding to BlueRock by way of its subscription under the Subscription Agreement, for:</p> <p>1.4.1.1.1 certain simple loan notes to be issued by BlueRock (to be redeemed and converted into shares in BlueRock), and subject to the SLNI; and</p>

		<p>1.4.1.1.2 certain convertible loan notes to be issued by BlueRock (subject to required BlueRock shareholder and UK Takeover Panel approvals, where relevant), and subject to the New CLNI;</p> <p>1.4.1.2 BlueRock, Teichmann Mauritius and SP Angel Corporate Finance LLP intend to enter into on or about the Signature Date a “Relationship Agreement” in anticipation of the subscription under the Subscription Agreement, to manage the relationship between them;</p> <p>1.4.1.3 Teichmann SA to provide further funding to Kareevlei by way of a revolving working capital loan facility under the Facility Agreement; and</p> <p>1.4.1.4 Teichmann SA to continue providing mining contracting services to Kareevlei in relation to the Kareevlei Project under the Mining Services Agreement.</p> <p>1.4.2 For the purposes of the above, the Parties wish for the Kareevlei Parties to give various undertakings to the Teichmann Parties in relation to inter alia the governance and management of Kareevlei and the Kareevlei Project, as set out in this Agreement.</p>
2.	Definitions	<p>In this Agreement, unless clearly inconsistent with or otherwise indicated by the context, the following expressions have the following meanings:</p> <p>2.1 Agreement means this binding “Kareevlei Governance Agreement”;</p> <p>2.2 Amended MOI has the meaning given to it in clause 8.1;</p> <p>2.3 Associate means, in relation to a person:</p> <p>2.3.1 any subsidiary or holding company of that person and each and any subsidiary of a holding company of that person; and</p> <p>2.3.2 any person that Controls, is Controlled by or is under common Control with that person;</p> <p>2.4 BlueRock means BlueRock Diamonds plc (registration number 08248437), a public company incorporated in accordance with the company laws of England and Wales;</p> <p>2.5 BlueRock Board means the board of directors of BlueRock;</p> <p>2.6 BlueRock Group means the BlueRock Parties and any person in respect of which a BlueRock Party holds more than 50% of the voting rights;</p> <p>2.7 BlueRock Parties means collectively BlueRock and Kareevlei;</p> <p>2.8 Business Day means any day other than a Saturday, Sunday or official public holiday in South Africa;</p> <p>2.9 CIPC means the Companies and Intellectual Property Commission;</p> <p>2.10 Control means, with respect to any person, the direct or indirect power to:</p>

		<p>2.10.1 direct or cause the direction of the management and policies of such person;</p> <p>2.10.2 elect a majority of the directors, partners or other persons exercising similar authority in respect of such person; or</p> <p>2.10.3 direct or cause the direction of a voting interest of more than 30%, and Controls, Controlling and Controlled by shall be construed accordingly;</p> <p>2.11 Effective Date means the last day of the month in which the last of the Suspensive Conditions is fulfilled or waived, as applicable, or such other date as the Parties may agree in writing;</p> <p>2.12 Existing CLNI means the Existing CLNI, as defined in the Subscription Agreement;</p> <p>2.13 Existing CLNI Amendment means the Existing CLNI Amendment, as defined in the Subscription Agreement;</p> <p>2.14 Facility Agreement means the “Facility Agreement” concluded between Teichmann SA and Kareevlei on or about the Signature Date, in terms of which Teichmann SA is to provide to Kareevlei a revolving working capital loan facility;</p> <p>2.15 Ghaap means Ghaap Mining Proprietary Limited (registration number 2013/092058/07), a private company incorporated in accordance with the company laws of South Africa;</p> <p>2.16 Independent Technical Expert has the meaning to it in clause 8.1.8;</p> <p>2.17 Kareevlei means Kareevlei Mining Proprietary Limited (registration number 2013/077678/07), a private company incorporated in accordance with the company laws of South Africa;</p> <p>2.18 Kareevlei Board means the Board of directors of Kareevlei;</p> <p>2.19 Kareevlei CEO means the chief executive officer of Kareevlei from time to time;</p> <p>2.20 Kareevlei CFO means the chief financial officer of Kareevlei from time to time;</p> <p>2.21 Kareevlei Parties means collectively the BlueRock Parties and Ghaap;</p> <p>2.22 Kareevlei Project has the meaning given to it in clause 1.1.3;</p> <p>2.23 Long Stop Date means 15 July 2022 or such other date as may be agreed between the Parties other than Ghaap (on one or more occasions) in writing;</p> <p>2.24 Mining Services Agreement means the “Contract Agreement” concluded between Teichmann SA and Kareevlei, dated 5 August 2019 in terms of which Teichmann SA provides certain mining contracting services to Kareevlei in relation to the Kareevlei Project;</p> <p>2.25 MOI means Kareevlei’s memorandum of incorporation;</p> <p>2.26 New CLNI means the CLNI, as defined in the Subscription Agreement;</p>
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		<p>2.27 Other Operational Agreement means any agreement entered into between Kareevlei and one or more members of the Teichmann Group;</p> <p>2.28 Parties means collectively the BlueRock Parties and the Teichmann Parties, and following its entry into of the deed of adherence contemplated under clause 4.1.3, Ghaap, and Party shall mean any one of them as the context may indicate;</p> <p>2.29 Relevant Conditions means:</p> <p>2.29.1 any member of the Teichmann Group holding an interest in an aggregate number of voting rights of at least 10% of the shares in BlueRock;</p> <p>2.29.2 any Relevant Finance Document is in force;</p> <p>2.29.3 any member of the BlueRock Group owes any amount to any member of the Teichmann Group in excess of R10m;</p> <p>2.29.4 the Mining Services Agreement is in force; or</p> <p>2.29.5 any Other Operational Agreement is in force,</p> <p>provided that in respect of clauses 2.29.2, 2.29.3, 2.29.4 and 2.29.5, any such agreement or arrangement shall be deemed to be in force for the purposes of this Agreement despite any actual or alleged default thereof by a member of the BlueRock Group;</p> <p>2.30 Relevant Finance Document means each of the:</p> <p>2.30.1 SLNI;</p> <p>2.30.2 Existing CLNI;</p> <p>2.30.3 Existing CLNI Amendment;</p> <p>2.30.4 New CLNI; and</p> <p>2.30.5 Facility Agreement;</p> <p>2.31 Relevant Shareholder means each of BlueRock and Ghaap;</p> <p>2.32 Signature Date means the date on which this Agreement is signed by the last signing Party;</p> <p>2.33 SLNI has the meaning given to it in the Subscription Agreement;</p> <p>2.34 Subscription Agreement means the written subscription agreement entered into on or about the Signature Date between BlueRock, Teichmann Mauritius and others;</p> <p>2.35 Surviving Provisions means this clause 2, 3, 4, 6, 7, 8.1, 9, 12, 13, 14, 15, 16, 17, 18, 19 and 20;</p> <p>2.36 Suspensive Conditions has the meaning given to it in clause 4.1;</p> <p>2.37 Teichmann Group means Teichmann Mauritius and any of its Associates;</p> <p>2.38 Teichmann Mauritius means Teichmann Company Limited (registration number 103528 C1/GBL), a private company incorporated in accordance with the company laws of Mauritius;</p>
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		<p>2.39 Teichmann Parties means Teichmann Mauritius and Teichmann SA; and</p> <p>2.40 Teichmann SA means Teichmann South Africa Proprietary Limited (registration number 1999/005673/07), a private company incorporated in accordance with the company laws of South Africa.</p>
<p>3.</p>	<p>Interpretation</p>	<p>3.1 Clause headings and the heading of the Agreement are for convenience only and are not to be used in its interpretation.</p> <p>3.2 In this Agreement, an expression which denotes:</p> <p>3.2.1 any gender includes the other genders;</p> <p>3.2.2 a natural person includes a juristic person and vice versa;</p> <p>3.2.3 the singular includes the plural and vice versa; and</p> <p>3.2.4 a Party includes a reference to that Party's successors in title and assigns allowed at law.</p> <p>3.3 The words "include" and "including" mean "include without limitation" and "including without limitation". The use of the words "include" and "including" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.</p> <p>3.4 Any substantive provision, conferring rights or imposing obligations on a Party and appearing in any of the definitions in this clause 3 or elsewhere in this Agreement, shall be given effect to as if it were a substantive provision in the body of the Agreement.</p> <p>3.5 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.</p> <p>3.6 A reference to any statutory enactment shall be construed as a reference to that enactment as at the Signature Date and as amended or substituted from time to time.</p> <p>3.7 Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a Business Day, the next succeeding Business Day.</p> <p>3.8 The rule of construction that this Agreement shall be interpreted against the Party responsible for the drafting of this Agreement, shall not apply.</p>
<p>4.</p>	<p>Suspensive Conditions</p>	<p>4.1 The whole of this Agreement (other than the Surviving Provisions) is subject to the fulfilment or waiver, as applicable, of the following suspensive conditions on or before the Longstop Date (Suspensive Conditions):</p> <p>4.1.1 on or before 3 days following the Signature Date or such other date as the Teichmann Parties may consent to in writing (being the First Date), the BlueRock Board has approved the execution of this Agreement and its implementation;</p>

		<p>4.1.2 on or before the First Date, the Kareevlei Board has approved the execution of this Agreement and its implementation;</p> <p>4.1.3 on or the First Date, the BlueRock Parties have provided the Teichmann Parties with a copy of Ghaap’s written deed of adherence to this Agreement (in such form as the Teichmann Parties may in their sole discretion determine in writing), as well as a copy of a resolution of the board of directors of Ghaap authorising the entry into and implementation by Ghaap of such deed;</p> <p>4.1.4 the board of directors of each of Teichmann Mauritius and Teichmann SA has approved the execution of this Agreement and its implementation;</p> <p>4.1.5 on or before the First Date, the BlueRock Parties have provided the Teichmann Parties with a copy of a resolution of the board of directors of each of BlueRock and Ghaap authorising and approving the adoption of the Amended MOI; and</p> <p>4.1.6 the parties to the following documents have entered into such documents:</p> <p>4.1.6.1 Subscription Agreement;</p> <p>4.1.6.2 SLNI;</p> <p>4.1.6.3 Existing CLNI Amendment;</p> <p>4.1.6.4 New CLNI;</p> <p>4.1.6.5 Relationship Agreement;</p> <p>4.1.6.6 Facility Agreement; and</p> <p>4.1.6.7 the security documents and subordination agreement referred to in the above documents; and</p> <p>4.1.7 the subscription of the SLNs (as defined in the Subscription Agreement) has become unconditional, save for any conditionality relating to this Agreement becoming unconditional;</p> <p>4.2 BlueRock shall be primarily responsible for the fulfilment of the Suspensive Conditions set out in clause 4.1.1.</p> <p>4.3 The BlueRock Parties shall jointly be primarily responsible for the fulfilment of the Suspensive Conditions set out in clauses 4.1.2, .4.1.3 and 4.1.5;</p> <p>4.4 The Teichmann Parties shall jointly be primarily responsible for the fulfilment of the Suspensive Condition set out in clause 4.1.4.</p> <p>4.5 The Parties shall be jointly responsible for the fulfilment of the Suspensive Condition set out in clauses 4.1.6 and 4.1.7.</p> <p>4.6 Each of the Parties shall use its reasonable endeavours to procure the Suspensive Conditions are fulfilled as soon as reasonably practical and, in any event, on or before the due date therefor.</p> <p>4.7 The Suspensive Conditions referred to in:</p>
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		<p>4.7.1 clauses 4.1.1 to 4.1.5 (both inclusive) are stipulated for the benefit of the BlueRock Parties alone, and accordingly any of them may be waived (in full or in part) by it in writing at any time on or before the due date therefor;</p> <p>4.7.2 and clauses 4.1.6 and 4.1.7 may not be waived.</p> <p>4.8 The Parties shall keep each other reasonably informed of the progress made in the fulfilment of the Suspensive Conditions to such extent as the other Parties may reasonably require.</p> <p>4.9 If any Suspensive Condition is not fulfilled or waived, as the case may be, on or before the due date therefor, then the whole of this Agreement, (other than the Surviving Provisions) shall have no force or effect, the Parties shall be entitled to be restored as nearly as possible to the positions in which they would have been had this Agreement not been entered into and no Party shall have any claim against the others in terms of this Agreement except for such claims, if any, as may arise from a breach of this clause 4 or the Surviving Provisions.</p> <p>4.10 Notwithstanding any other provision of this Agreement, and provided that the Suspensive Condition in clause 4.1.3 has been waived in accordance with its terms, the full force and effect of this Agreement as against the BlueRock Parties and the Teichmann Parties shall not be affected solely by the failure by Ghaap for whatsoever reason to enter into the deed of adherence contemplated under that clause.</p>
5.	Duration	Subject to clauses 4 and 13, this Agreement will commence on the Effective Date and continue for so long as any of the Relevant Conditions exist.
6.	Confidentiality	The contents of this Agreement are confidential and are not to be disclosed to any other person (other than a Party's employees and advisors who are in each case required in the course of their duties to receive and consider this Agreement), save where required by any stock exchange on which a Party's securities are listed, or under any applicable law, and if permissible under the rules of such exchange or law, with the prior written consent of the Teichmann Parties and the BlueRock Parties.
7.	Status	Subject to clause 5, this Agreement is <u>legally binding</u> on the Parties.
8.	Kareevlei Board, Kareevlei Management Board, Board Committee, Kareevlei CEO	<p>8.1 For the purposes of this clause 8, Amended MOI means the MOI amended so as to provide as follows and not be inconsistent therewith):</p> <p>8.1.1 Kareevlei has a minimum of 6 directors and a maximum of 8 directors (in each case, including the chairperson);</p> <p>8.1.2 BlueRock shall be entitled to nominate for appointment to the Board 1 director, together with one or more alternates to such directors;</p> <p>8.1.3 BlueRock shall be entitled to nominate for appointment to office the Kareevlei CEO. The Kareevlei CEO shall serve as an <i>ex officio</i> director in terms of section 66(4)(a)(ii) of the Companies Act for so long as the individual holds office as such. Subject to</p>

		<p>all applicable labour laws, any dismissal of a person as Kareevlei CEO, shall require the prior written approval of BlueRock;</p> <p>8.1.4 BlueRock shall be entitled to nominate for appointment to office the Kareevlei CFO. The Kareevlei CFO shall serve as an <i>ex officio</i> director in terms of section 66(4)(a)(ii) of the Companies Act for so long as the individual holds office as such. Subject to all applicable labour laws, any dismissal of a person as Kareevlei CEO, shall require the prior written approval of BlueRock;</p> <p>8.1.5 Ghaap, for so long as it is a “Material Shareholder” (as such term is contemplated under the MOI in force as at the Signature Date), shall be entitled to nominate for appointment to the Board 1 director, together with an alternate to such director;</p> <p>8.1.6 any other Material Shareholder (i.e. excluding the Teichmann Parties, Ghaap and BlueRock) shall be entitled, for so long as it is a Material Shareholder, to nominate 1 director for appointment to the Board, together with one or more alternates to such director;</p> <p>8.1.7 the Teichmann Parties shall jointly be entitled to nominate for appointment to the Board 1 director, together with one or more alternates to such director;</p> <p>8.1.8 the BlueRock Parties and the Teichmann Parties shall jointly be entitled to nominate for appointment to the Board 1 director who shall be an independent technical expert, together with one or more alternates to such director who shall also be independent technical experts;</p> <p>8.1.9 any person nominating a director (or alternate) for election to the Kareevlei Board in terms of the abovementioned provisions, shall be entitled to remove (or nominate for removal, as the case may be), any such director (or alternate) from the Kareevlei Board and/or to nominate any replacement(s) for a director (or alternate) nominated by it;</p> <p>8.1.10 the chairperson of the Kareevlei Board shall be appointed by BlueRock. The chairperson shall be appointed for such period as the shareholders of Kareevlei determine. The chairperson shall have a second or casting vote in addition to its deliberative vote at meetings of directors; and</p> <p>8.1.11 a management committee of the Kareevlei Board will be established (Management Board Committee), with such terms of reference as BlueRock and the Teichmann Parties may approve of in writing. The Independent Technical Expert shall be a member of such committee. The Teichmann Parties shall be entitled to appoint 1 member of the Management Board Committee, but such person shall not have any voting rights on such committee. No quorum shall be formed on such committee unless the Independent Technical Expert is present at the</p>
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		<p>meeting thereof. The prior written consent of the Teichmann Parties shall be required should meetings of the Management Board Committee be held less than once during every 3 month period or if the ability for any member to request a meeting of that committee at any time is to be amended. The Teichmann Parties shall be entitled to receive a copy of all reports prepared by the management committee.</p> <p>8.2 By no later than 3 Business Days following the Effective Date (or such other date as the Teichmann Parties may consent to in writing), the BlueRock Parties shall procure the lodgment of the Amended MOI with CIPC and provide written evidence thereof to the Teichmann Parties.</p> <p>8.3 For so long as any of the Relevant Conditions exist:</p> <p>8.3.1 the Kareevlei Parties shall procure that the MOI provides as set out in clause 8.1 and is not inconsistent therewith;</p> <p>8.3.2 each Kareevlei Party undertakes to cause all such resolutions of Kareevlei to be passed, and undertakes to do all such other things that shall be necessary or requisite to ensure the expeditious appointment or election or removal of such directors (or their alternates) as are nominated or appointed to the Kareevlei Board or to be removed pursuant to the provisions of this clause 8; and</p> <p>8.3.3 each Kareevlei Party undertakes to the Teichmann Parties not to vote in favour of any resolution for the removal from the Kareevlei Board, of any director nominated for election by the Teichmann Parties in terms of clause 8.1.7, unless the Teichmann Parties nominate such person for such removal or unless such director is ineligible or disqualified from acting as a director under applicable law;</p> <p>8.4 The Kareevlei Parties shall procure that the Management Board Committee produces monthly written reports as to its activities and the key management and operational metrics within its purview, and that those reports are provided to the Teichmann Parties as soon as they are so produced.</p> <p>8.5 The Kareevlei Parties shall procure that by no later than 3 Business Days following the Effective Date: (1) Gary Teichmann is appointed to the Kareevlei Board; and (2) such appointment is lodged with CIPC.</p>
<p>9.</p>	<p>Relationship with other relevant agreements and documents as between the Parties</p>	<p>9.1 Nothing in this Agreement shall derogate from any right that the Teichmann Parties may have under any of the agreements or documents contemplated under clause 4.1.6 or otherwise.</p> <p>9.2 In particular, the Parties record that as the Signature Date and the Effective Date, the Mining Services Agreement continues in force in accordance with its terms.</p> <p>9.3 In the event of any inconsistency between as between any such agreement or document (on the one hand) and this Agreement (on the other hand), the relevant such agreement or document shall prevail.</p>

<p>10.</p>	<p>Program and Budget</p>	<p>10.1 The Kareevlei Parties shall procure that Kareevlei adopts and adheres to the 2-year program (including mining works program) and budget that has been agreed to by the BlueRock Parties and the Teichmann Parties as at the Effective Date in respect of the present and forthcoming financial year (Initial Program Period), save in respect of any unforeseen expense that has, prior to the incurral thereof, been approved by the Kareevlei Board and notified in writing to the Teichmann Parties.</p> <p>10.2 Following the lapse of the Initial Program Period, the Kareevlei Parties shall procure that each year, an annual program (including mining works program) and budget for Kareevlei for the following financial year (a Proposed Annual Program and Budget) is prepared, approved and adopted by Kareevlei at least 60 days prior to the first day of that following financial year, and is submitted to the Teichmann Parties immediately following such preparation, approval and adoption respectively, and that such Proposed Program and Budget shall describe, in reasonable detail, the proposed operations for the relevant period, including:</p> <ul style="list-style-type: none"> 10.2.1 a detailed work program; 10.2.2 forecasted capital expenditures; 10.2.3 forecasted revenue, income and operating expenditures; 10.2.4 forecasted amounts of products to be produced and sold (if any); 10.2.5 anticipated schedule of cash calls to fund the programs and budget and the proposed application of funds; and 10.2.6 estimated staffing requirements. <p>10.3 The Kareevlei Parties shall procure that once a Proposed Program and Budget is approved and adopted by Kareevlei (such program and budget, so approved and adopted, being an Approved Business Program and Budget), it shall be implemented by Kareevlei in accordance with its terms for the financial year for which it has been approved, save in respect of any unforeseen expense that has, prior to the incurral thereof, been approved by the Kareevlei Board and notified in writing to the Teichmann Parties.</p>
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<p>11.</p>	<p>Reporting and Access to Information</p>	<p>11.1 The Kareevlei Parties shall procure the preparation and provision of the following to the Teichmann Parties on a monthly, quarterly and annual basis:</p> <p>11.1.1 a balance sheet, profit and loss account and a monthly operational and financial variance report which will fairly present the state of affairs of Kareevlei;</p> <p>11.1.2 an updated forecast for the following quarter, and annual figures, if different from the applicable budgeted numbers;</p> <p>11.1.3 weekly information covering diamonds sorted / monthly tender results versus forecast (including any reportable high value diamonds);</p> <p>11.1.4 immediate information on material issues announceable within AIM regulations; and</p> <p>11.1.5 and such other progress and financial reports as may be reasonably requested by the Teichmann Parties,</p> <p>relating to Kareevlei and the Kareevlei Project.</p> <p>11.2 The Kareevlei Parties shall keep the Teichmann Parties fully informed of all material matters of which it becomes aware pertaining to Kareevlei and the Kareevlei Project.</p> <p>11.3 The Teichmann Parties shall be entitled upon giving reasonable notice to Kareevlei:</p> <p>11.3.1 to inspect and obtain copies of all documents, records, reports and accounts under the control of Kareevlei in relation to Kareevlei and the Kareevlei Project; and</p> <p>11.3.2 to conduct site visits and to meet with senior management of Kareevlei to discuss the Kareevlei Project and Kareevlei's management and operations, provided that such site visits do not unreasonably interfere with Kareevlei's operations and that the Teichmann Parties' personnel will comply with Kareevlei's safety and other directions.</p>
<p>12.</p>	<p>Warranties and Indemnity</p>	<p>12.1 Each Party warrants to the other Parties that it has full power and authority to enter into and perform its obligations under this Agreement and has taken all necessary corporate and/or internal action to authorise the execution and performance of this Agreement.</p> <p>12.2 Each Party warrants to the other Parties that the execution of this Agreement and performance by it of its obligations under this Agreement does not:</p> <p>12.2.1 contravene any law or regulation to which such Party is subject; or</p> <p>12.2.2 contravene any provision of such Party's constitutional document; or</p> <p>12.2.3 conflict with, or result in a breach of any of the terms of, or constitute a default under any agreement or other instrument</p>

		<p>to which it is a party to or by which it or any of its assets are bound.</p> <p>12.3 Each Party warrants to the other Parties that the provisions of this Agreement are legally binding on it and the execution and performance of all rights and obligations imposed on it pursuant to this Agreement constitute legal, valid, binding and enforceable rights and obligations.</p> <p>12.4 The Parties agree that:</p> <p>12.4.1 the abovementioned warranties (each, a Warranty) shall be deemed to be representations and undertakings by the Party giving the Warranty in favour of the other Parties;</p> <p>12.4.2 each Warranty shall be assumed to be material unless the contrary is proved; and</p> <p>12.4.3 each Warranty shall be a separate Warranty and in no way limited or restricted by reference to or inference from the terms of any other Warranty.</p> <p>12.5 All Warranties are, save where the context clearly indicates the contrary, warranted as at the Signature Date and the Effective Date (Relevant Period).</p> <p>12.6 Each Party shall not do, allow or procure any act or omission during the Relevant Period which would constitute a breach of any of the Warranties.</p> <p>12.7 Each Party shall promptly disclose in writing to the other Parties any matter or thing which may arise or become known to the first Party during the Relevant Period which is inconsistent with or which may constitute a breach of any of the Warranties.</p> <p>12.8 Subject to clause 14, each Party hereby indemnifies and holds each other Party harmless against any and all losses, liability, damages or expenses which that other Party may suffer as a result of, or which may be attributable to any breach by the first Party of any Warranty.</p>
<p>13.</p>	<p>Breach</p>	<p>13.1 Should any Party commit a breach of any of the provisions of this Agreement and fail to remedy that breach within 7 Business Days after receipt from any other Party of written notice calling upon it so to do, then the Party aggrieved by that breach will be entitled, in addition to and without prejudice to any right it may have as a result of that breach, either to:</p> <p>13.1.1 enforce specific performance of the terms hereof; or</p> <p>13.1.2 cancel this Agreement and recover such damages as it may have sustained.</p> <p>13.2 The Parties' remedies in this paragraph 13 shall not be exhaustive and shall be in addition and without prejudice to any others they may have under or in consequence of this Agreement and/or in law.</p>

		13.3 No provision of this Agreement shall derogate from any right that any member of the Teichmann Group may have under any of the agreements or documents contemplated under clause 4.1.6.
14.	Limitation of liability	Notwithstanding anything to the contrary contained in this Agreement, the Parties shall not be liable to each other for any indirect or consequential loss or damage, including without limitation, loss of profit, revenue, anticipated savings, business transactions or goodwill or other contracts whether arising from negligence or breach of contract.
15.	Governing Law and Jurisdiction	<p>15.1 This Agreement will in all respects be governed by and construed under the laws of South Africa.</p> <p>15.2 Subject to clause 16, the Parties hereby consent and submit to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg in any dispute arising from or in connection with this Agreement.</p>
16.	Dispute Resolution	<p>16.1 If any dispute arises between the Parties in connection with the interpretation or application of the provisions of this Agreement, its breach or termination, or any other matter arising out of or in connection with this Agreement, that dispute shall, unless resolved amongst the Parties, be referred to and be determined under the auspices of and in terms of the Commercial Arbitration Rules of the Arbitration Foundation of Southern Africa (AFSA), in Johannesburg.</p> <p>16.2 The Parties shall agree on the arbitrator who shall be an attorney or advocate on the panel of arbitrators of AFSA. If agreement is not reached within 10 days of any Party calling in writing for such agreement, the arbitrator shall be an attorney or advocate (having at least 10 years experience as such) nominated by the Registrar of AFSA for the time being.</p> <p>16.3 The seat, or legal place, of the arbitration shall be South Africa and any hearing shall be held in Johannesburg. The language to be used in the arbitral proceedings shall be English. Unless the Parties agree otherwise, the arbitration shall be conducted on an urgent basis in terms of the said Rules.</p> <p>16.4 The decision of the arbitrator shall be final and binding on the Parties, and may be made an order of any court of competent jurisdiction.</p> <p>16.5 Nothing contained in this clause 16 shall preclude any Party from approaching a court of competent jurisdiction within the Republic of South Africa for interim relief on an urgent basis pending the final outcome of an arbitration referral under this clause 16.</p> <p>16.6 The Parties agree and irrevocably undertake to keep the arbitration and all matters related thereto strictly confidential.</p>

17.	Addresses for processes and notices	<p>17.1 The Parties choose as their <i>domicilia citandi et executandi</i> (address for the valid service of legal processes and legal notices) in connection with this Agreement the address set out against their names in this clause 19.1, provided always that a Party may at any time and from time to time change its <i>domicilium citandi et executandi</i> by notice in writing to the other Parties to another physical address in South Africa, not being a post office box or poste restante:</p> <p>17.1.1 as regards BlueRock: 4th Floor Reading Bridge House, George Street. Reading, Berkshire RG1 8LS, United Kingdom Attention: The Directors;</p> <p>17.1.2 as regards Kareevlei: Building 6 De Beers Geology Complex, Hull Street R64, Kimberley, Northern Cape, 8301, South Africa Attention: The Directors;</p> <p>17.1.3 as regards Ghaap: Building 6 De Beers Geology Complex, Hull Street R64, Kimberley, Northern Cape, 8301, South Africa Attention: The Directors c/o Kareevlei Mining;</p> <p>17.1.4 as regards the Teichmann Parties: No. 2. Quartier des Terminalias, Labourdonnais, Mapou, Rivière du Rempart, 31803, Mauritius; and 1 Flamboyant Close, Glen Anil, 4051, South Africa Attention: The Directors of the relevant Teichmann Party.</p> <p>17.2 Each Party chooses as its address for the valid service of all written notices in connection with this Agreement (other than legal processes or legal notices which are dealt with in clause 17.1) the physical address set out against its name in clause 17.1 as well as the email address set out against its name in this clause 17.2 below, provided always that such Party may at any time and from time to time change such any address by notice in writing to the other Parties:</p> <p>17.2.1 as regards BlueRock: dfacey@bluerockdiamonds.co.uk Attention: The Directors;</p> <p>17.2.2 as regards Kareevlei: dfacey@bluerockdiamonds.co.uk Attention: The Directors c/o BlueRock;</p> <p>17.2.3 as regards Ghaap: dfacey@bluerockdiamonds.co.uk</p>
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		<p>Attention: The Directors c/o BlueRock;</p> <p>17.2.4 as regards the Teichmann Parties: claudelh@teichmanngrp.com; and james.teriele@teichmanngrp.com</p> <p>Attention: The Directors of the Relevant Teichmann Party or at such other address of which the Party concerned may notify the other Parties in writing.</p> <p>17.3 Any notice given in connection with clause 17.1 shall only be valid if given in a written, paper based form and for the avoidance of doubt, any notice given in the form of an electronic communication (as defined in the Electronic Communications and Transactions Act, 2002) shall not be regarded as a notice validly given for the purposes of this Agreement)</p> <p>17.4 Any notice given in connection with this Agreement shall:</p> <p>17.4.1 if delivered by hand or courier be deemed to have been duly received by the addressee on the date of delivery; or</p> <p>17.4.2 if transmitted electronically be deemed to have been received by the addressee one Business Day after the successful transmission thereof.</p> <p>17.5 Subject always to clause a, a written notice or communication given in connection with this Agreement actually received by a Party at its chosen address shall be adequate written notice or communication to such Party.</p>
18.	Teichmann Mauritius to act as agent for Teichmann SA	Where any provision of this Agreement contemplates the consent or approval of Teichmann SA, unless otherwise prohibited in law, Teichmann Mauritius shall be entitled to provide such consent or approval on behalf of Teichmann SA.
19.	Cession and Assignment	No Party shall cede, assign or transfer or purport to cede, assign or transfer to any person any of its rights or obligations in terms of this Agreement without the prior written consent of the other Parties or as expressly contemplated in this Agreement.
20.	General	<p>20.1 Successors in title</p> <p>20.1.1 For the purposes of this clause 20.1, successor-in-title shall include, but not be limited to, the executor, liquidator, judicial manager, curator or trustee of any Party.</p> <p>20.1.2 Without prejudice to any other provision of this Agreement, any successor-in-title of any Party shall be bound by this Agreement.</p> <p>20.2 Implementation and good faith</p> <p>20.2.1 The Parties undertake to do all such things, perform all such acts and take all steps to procure the doing of all such things and the performance of all such acts, as may be necessary or</p>

		<p>incidental to give or be conducive to give effect to the terms, conditions and import of this Agreement.</p> <p>20.2.2 The Parties shall at all times during the continuance of this Agreement observe the principles of good faith towards one another in the performance of their obligations in terms of this Agreement.</p> <p>20.3 Contract for the benefit of a third party</p> <p>Unless specifically set out in this Agreement, a person who is not a Party to this Agreement shall not have any rights under or in connection with it.</p> <p>20.4 Whole agreement</p> <p>This Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein and, save to the extent otherwise provided herein, no undertaking, representation, term or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on either of the Parties.</p> <p>20.5 Variations to be in writing</p> <p>No addition to or variation, deletion, or agreed cancellation of all or any clauses or provisions of this Agreement will be of any force or effect unless in writing and signed by the Parties.</p> <p>20.6 No waiver or suspension of rights</p> <p>No waiver, suspension or postponement by any Party of any right arising out of or in connection with this Agreement shall be of any force or effect unless in writing and signed by that Party. Any such waiver, suspension or postponement will be effective only in the specific instance and for the purpose given.</p> <p>20.7 Costs</p> <p>Kareevlei shall be responsible for the Parties' costs, legal fees and other expenses incurred in the negotiation, preparation and execution of this Agreement.</p> <p>20.8 Counterparts</p> <p>This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.</p>
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SIGNED AT

ON THE

DAY OF

2022

for and on behalf of

**TEICHMANN SOUTH AFRICA
PROPRIETARY LIMITED**

Duly Authorised

Full name: _____

Position: _____

SCHEDULE 9
FACILITY AGREEMENT

FACILITY AGREEMENT

entered into between

TEICHMANN SOUTH AFRICA PROPRIETARY LIMITED

And

KAREEVLEI MINING PROPRIETARY LIMITED

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Annexures

Annexure “A”: Advance Conditions

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

1.2 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them –

1.2.1 “**Acceptable Bank**” means –

1.2.1.1 any one of the Reference Banks; or

1.2.1.2 any other bank or financial institution approved by the Lender;

1.2.2 “**Accounting Principles**” means generally accepted accounting principles in South Africa but including IFRS;

1.2.3 “**Advance Conditions**” means the advance conditions specified in Annexure “A”;

1.2.4 “**Advance Date**” means the date of a draw down or a deemed draw down, being the date on which the relevant Loan is, or is deemed to be made;

1.2.5 “**Advanced Amount**” has the meaning specified in Clause 3.3;

1.2.6 “**Affiliate**” means, in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company;

1.2.7 “**Agreement**” means the agreement contained in this document, including all Annexures hereto;

1.2.8 “**AIM**” means the AIM market of the London Stock Exchange;

1.2.9 “**AIM Rules**” means the rules governing the admission to, and operation of, AIM as set out in the AIM Rules for Companies published by the London Stock Exchange from time to time;

1.2.10 “**Auditor**” means the auditor of the Borrower from time to time and any replacement of such auditor with any other firm in accordance with this Agreement;

1.2.11 “**Authorisation**” means an authorisation, consent, approval, resolution, licence, permit, exemption, filing, notarisation, lodgement, registration or the like;

1.2.12 “**Availability Period**” means the period commencing on the Effective Date and terminating on the first anniversary of the Effective Date;

1.2.13 “**Bank Account**” means such bank account of the Borrower as it may advise the Lender in writing on or about the Signature Date;

1.2.14 “**Bond Attorneys**” means Shepstone Wylie or such other attorneys as the Lender may advise the Borrower in writing following the Signature Date;

- 1.2.15 “**Borrower**” means Kareevlei Mining Proprietary Limited (registration number 2013/077678/07), a limited liability private company incorporated in South Africa;
- 1.2.16 “**Borrower Parent**” means BlueRock Diamonds PLC, Company number 08248437, a public company incorporated in England and Wales, listed on AIM;
- 1.2.17 “**Business Day**” means:
- 1.2.17.1 in relation to any payments under this Agreement, a day other than a Saturday or a Sunday and on which banks are open for business generally in the principal financial centre of the country of the person that is obliged to make such payment;
- 1.2.17.2 in relation to a notice or other communication served under this Agreement, any day other than a Saturday or a Sunday and which banks are open for business generally in the place designated for delivery of the notice concerned; and
- 1.2.17.3 in any other case, a day other than a Saturday or a Sunday and which banks are open for business generally in the place of incorporation of the Lender and the Borrower;
- 1.2.18 “**Calendar Month**” means each month of the Gregorian Calendar;
- 1.2.19 “**Cession in Security**” means the written cession in security entered into or about to be entered into on or about the Signature Date between the Borrower and the Lender pursuant to which the Borrower cedes in security to the Lender as security for the obligations of the Borrower to Lender, in connection with, and/or arising from this Agreement and the Mining Services Agreement all its rights, title and interest in and to –
- 1.2.19.1 all the Borrower’s bank accounts maintained in South Africa (including all cash balances standing to the credit of those bank accounts) from time to time; and
- 1.2.19.2 the Claims of the Borrower.
- 1.2.20 “**Change of Control**” means the occurrence of any one or more of the following events without the prior written consent of the Lender:
- 1.2.20.1 the Borrower Parent (a) does not, or ceases to, hold, directly, legally and beneficially, at least 70% of the issued share capital of the Borrower or (b) does not, or ceases to, hold, directly, legally and beneficially, the right to vote as it sees fit, directly, at least 70% of the issued share capital of the Borrower;
- 1.2.20.2 any person or group of persons acting in concert (other than the Lender Parent and its concert parties) gains direct or indirect control of the Borrower Parent;
- 1.2.21 “**Claims**” means all the present and future claims of whatsoever nature which the Borrower now has and/or may at any time hereafter obtain against any Debtor;
- 1.2.22 “**Companies Act**” means the Companies Act (No 71 of 2008), and shall include the provisions of the Companies Act (No 61 of 1973) that have not been repealed;

- 1.2.23 “**Confidential Information**” means all information relating to the Obligors or the Finance Documents which the Lender has received from the Borrower, or its advisers, in relation to, or for the purpose of becoming the Lender under the Finance Documents in whatever form, and includes any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that –
- 1.2.23.1 is or becomes public information; or
- 1.2.23.2 is identified in writing at the time of delivery as non-confidential by the Borrower or any of its advisers; or
- 1.2.23.3 is known by the Lender before the date the information is disclosed to it for purposes of this Agreement or is lawfully obtained by the Lender after that date, from a source which is, as far as the Lender is aware, unconnected with the Obligors and which, in either case, as far as the Lender is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality;
- 1.2.24 “**CP Notice**” means the notice delivered by the Lender to the Borrower confirming whether all the Advance Conditions have been fulfilled or, if applicable, waived or deferred by the Lender;
- 1.2.25 “**Cut-off Date**” means 5 Business Days after the Signature Date or such later date as the Lender may advise the Borrower in writing;
- 1.2.26 “**Debtor**” means any person who is indebted to the Borrower, for whatsoever reason and howsoever arising;
- 1.2.27 “**Default**” means –
- 1.2.27.1 any Event of Default; and
- 1.2.27.2 the occurrence of any event which, if the applicable grace period expires or if notice is given and the applicable notice period expires, will constitute an Event of Default;
- 1.2.28 “**Discharge Date**” means the day on which the Borrower has paid all amounts, whether in respect of interest, principal or otherwise, which becomes payable by it in terms of this Agreement and the Lender is satisfied and has confirmed to the Borrower in writing that there are no further liabilities due and payable by the Borrower to the Lender on such date (which satisfaction and confirmation shall not be unreasonably withheld or delayed);
- 1.2.29 “**Disposal**” means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions), and “Dispose” and “Disposed” shall have a corresponding meaning;
- 1.2.30 “**Distribution**” means a distribution as defined in section 1 of the Companies Act (which includes dividends);
- 1.2.31 “**Draw Down Notice**” has the meaning in clause 5.1.1.4;

- 1.2.32 "**Effective Date**" means the date (specifically, the moment on such date) on which the Lender delivers the CP Notice to the Borrower, as envisaged in this Agreement (or, if applicable, the date envisaged in clause 3.3.2);
- 1.2.33 "**Environment**" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media –
- 1.2.33.1 air (including air within natural or man-made structures, whether above or below ground);
- 1.2.33.2 water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- 1.2.33.3 land (including land under water);
- 1.2.34 "**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law;
- 1.2.35 "**Environmental Law**" means any applicable law or regulation which relates to –
- 1.2.35.1 the pollution or protection of the Environment;
- 1.2.35.2 harm to or the protection of human health;
- 1.2.35.3 the conditions of the workplace; or
- 1.2.35.4 the generation, handling, storage, use, release, emission or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including any waste;
- 1.2.36 "**Environmental Permits**" means any permit or other Authorisation or the filing of any notification, report or assessment required under any Environmental Law for the operation of any business of the Borrower;
- 1.2.37 "**Existing CL Notes**" or "**Existing CLNs**" has the meaning in the Subscription Agreement;
- 1.2.38 "**Existing CLNI**" means the Existing CLNI, as defined in the Subscription Agreement;
- 1.2.39 "**Existing Outstanding Mining Fees**" means the fees payable to the Lender outstanding under the Mining Services Agreement as at the Signature Date and the Effective Date;
- 1.2.40 "**Event of Default**" means any event of default envisaged in Clause 13 (other than Clause 14.16);
- 1.2.41 "**Facility**" means the revolving credit facility in a maximum amount equal to the Facility Limit made available by the Lender to the Borrower in terms of Clause 4.1.1;
- 1.2.42 "**Facility Limit**" means, at any time, the maximum limit of the Facility as determined in accordance with Clause 4.1.2;
- 1.2.43 "**Finance Documents**" means –

- 1.2.43.1 this Agreement;
- 1.2.43.2 the Kareevlei Governance Agreement;
- 1.2.43.3 the Mining Services Agreement;
- 1.2.43.4 each Security Document;
- 1.2.43.5 the Subordination Agreement;
- 1.2.43.6 any document amending any Finance Document referred to in paragraphs 1.2.43.1 to 1.2.43.5 (both inclusive); and
- 1.2.43.7 any other document designated as a Finance Document by written agreement between the Parties from time to time;
- 1.2.44 **“Financial Indebtedness”** means any indebtedness for or in respect of –
 - 1.2.44.1 moneys borrowed or credit provided;
 - 1.2.44.2 any acceptance credit facility (including any dematerialised equivalent);
 - 1.2.44.3 any note purchase facility, bond, note, debenture, loan stock or other similar instrument;
 - 1.2.44.4 any suspensive sale or instalment credit transaction;
 - 1.2.44.5 any agreement treated as a finance or capital lease in accordance with IFRS;
 - 1.2.44.6 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
 - 1.2.44.7 any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount);
 - 1.2.44.8 any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by any third person;
 - 1.2.44.9 all outstanding obligations in respect of any redeemable shares;
 - 1.2.44.10 any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing; and/or
 - 1.2.44.11 any guarantee or indemnity for any of the types of Financial Indebtedness envisaged in Clauses 1.2.44.1 to 1.2.44.10,
- 1.2.45 **“Financial Year”** means the financial year of the Borrower ending on the last day of February in each calendar year;

- 1.2.46 “**General Notarial Bond**” means the general notarial bond over all of the Borrower’s movable assets in favour of the Lender as security for the obligations of the Borrower to Lender, in connection with, and/or arising from this Agreement and the Mining Services Agreement securing a principal sum of at least ZAR85,000,000 and an additional sum equal to at least 20% of such principal sum, or such other amounts as agreed to by the Lender, together with a power of attorney in favour of the Bond Attorneys to pass and register the bond at the applicable Deeds Registry;
- 1.2.47 “**IFRS**” means International Financial Reporting Standards (formerly International Accounting Standards) as issued by the International Accounting Standards Board (“IASB”) from time to time and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);
- 1.2.48 “**Initial Paydown**” means an amount equal to the funds received by the Borrower Parent pursuant to the SLNI, net of such amount as may be agreed in writing by the Parties as being required to remain with the Borrower Parent for the purposes of its working capital requirements, and net of all bank charges and currency conversion costs;
- 1.2.49 “**Interest Payment Dates**” means the last day of each Calendar Month;
- 1.2.50 “**Interest Period**” means, –
- 1.2.50.1 in relation to the Loan, the period commencing an Interest Payment Date and ending on the immediately following Interest Payment Date, provided that –
- 1.2.50.1.1 the first Interest Period shall commence on the 1st Advance Date of that Loan and end the next Interest Payment Date thereafter; and
- 1.2.50.1.2 the last Interest Period shall commence on the Interest Payment Date occurring immediately prior to the Maturity Date and end on the Maturity Date; and
- 1.2.50.2 in relation to an Unpaid Sum, a period determined in accordance with Clause 6.2;
- 1.2.51 “**Interest Rate**” means in respect of each Loan and for each Interest Period a rate that is the aggregate of the Prime Rate plus 3% per annum, nominal annual compounded monthly in arrears;
- 1.2.52 “**Joint Venture**” means any joint venture entity, partnership or similar person, comprising an association of two or more persons to undertake a business enterprise through a combination of assets and/or expertise;
- 1.2.53 “**Kareevlei Governance Agreement**” means the written agreement entered into or about to be entered into on or about the Signature Date between the Borrower, the Borrower Parent, the Lender and the Lender Parent, pursuant to which those parties agree upon certain governance arrangements as regards the Borrower;

- 1.2.54 “**Lender**” means Teichmann South Africa Proprietary Limited, registration number: 1999/005673/07 a limited liability private company incorporated in South Africa; and each person to whom the Lender Transfers the whole or any portion of its participation in the Facility in terms of Clause 22;
- 1.2.55 “**Lender Parent**” means Teichmann Company Limited, registration number: 103528, a private company incorporated in Mauritius;
- 1.2.56 “**Lender’s Account**” means such bank account held and administered at a South African financial institution as the Lender may notify the Borrower in writing not less than 5 Business Days prior to the date of payment of an amount;
- 1.2.57 “**Licence**” means any licence, permit, approval, consent, authorisation, order, licence application, and licence amendment application of or to a governmental body and all governmental or third party product registrations or approvals;
- 1.2.58 “**Loan**” means the loan to be made by the Lender to the Borrower pursuant to this Agreement or (as the context may require) the principal amount outstanding for the time being of such loan;
- 1.2.59 “**Loan Note Holders**” means the holders of the SLNs, Existing CLNs or New CLNs;
- 1.2.60 “**Material Adverse Event**” means the occurrence of any facts and/or circumstances which have, or which are reasonably likely to have, in the opinion of the Lender, a material adverse effect on –
- 1.2.60.1 an Obligor’s business, operations, property, condition (financial or otherwise), performance and/or prospects; or
- 1.2.60.2 an Obligor’s ability to comply with its obligations in terms of the Finance Documents; and/or
- 1.2.60.3 the validity or enforceability of any Finance Document and/or the rights or remedies enjoyed by the Lender under or in terms of the Finance Documents or the ranking of the rights enjoyed by the Lender under or in terms of the Finance Documents;
- 1.2.61 “**Maturity Date**” means the date that is the last day of the 18th Month following the Effective Date;
- 1.2.62 “**Mining Right**” means the mining right held by the Borrower and granted with DMRE pursuant to the MPRDA in relation to the “Kareevlei Project” in the Northern Cape province of South Africa, approximately 100 kilometres North West of Kimberley, ;
- 1.2.63 “**Mining Services Agreement**” means the written agreement entered into between the Lender and the Borrower prior to the Signature Date pursuant to which, inter alia, the Lender provides contract mining and other related services to the Borrower;
- 1.2.64 “**Month**” means each period which commences on one day (the “**First Day**”) in one Calendar Month and which ends on the same day but one in the next Calendar Month (the “**Second**

Calendar Month") provided that if (i) the First Day is the first day of a Calendar Month the applicable Month shall end on the last day of that Calendar Month, and if (ii) there is no day in the Second Calendar Month which corresponds numerically to the First Day, the applicable Month shall end on the last day of the Second Calendar Month;

- 1.2.65 **"Monthly Mining Fees"** means the fees owing to the Lender under the Mining Services Agreement each Month after the Effective Date as set out in each Monthly Mining Invoice;
- 1.2.66 **"Monthly Mining Invoice"** means an invoice issued by the Lender pursuant to the Mining Services Agreement each Month after the Effective Date;
- 1.2.67 **"MPRDA"** means the Mineral and Petroleum Resources Development Act, 2002;
- 1.2.68 **"New CL Notes"** or **"New CLNs"** means the CL Notes or "CLNs", as defined in the Subscription Agreement;
- 1.2.69 **"New CLNI"** means the CLNI, as defined in the Subscription Agreement;
- 1.2.70 **"Obligors"** means the Borrower, the Borrower Parent and any other person who provides Security Interests to the Lender for the obligations of the Borrower hereunder, from time to time, and **"Obligor"** shall refer to either one of them, as the context may indicate;
- 1.2.71 **"Other Existing Lenders"** means –
- 1.2.71.1 Mark Poole;
- 1.2.71.2 Tim Leslie;
- 1.2.72 **"Other Existing Financial Indebtedness"** means the Financial Indebtedness incurred by the Borrower Parent and owing to the Other Existing Lenders in the form of a convertible loan note in an amount of approximately £460,000 (including accrued interest) as at the Signature Date;
- 1.2.73 **"Outstandings"** means at any time the aggregate of all amounts of loan principal, accrued interest, prepayment penalties, fees and all other amounts outstanding under the Finance Documents (including, without limitation, any claim for damages or restitution, any claim as a result of any recovery by an Obligor, or another person of a payment or discharge under the Finance Documents on the grounds of preference, and each amount which would be included in any of the above but for any discharge, non-provability or unenforceability of a claim in any insolvency or other proceedings);
- 1.2.74 **"Parties"** means the Lender and the Borrower, and **"Party"** shall refer to any one of them, as the context may require;
- 1.2.75 **"Permitted Disposal"** means Disposals of assets approved in advance in writing by the Lender;
- 1.2.76 **"Permitted Distribution"** means any Distribution made with the prior written approval of the Lender;

- 1.2.77 **“Permitted Guarantees”** means any guarantee, indemnity or similar undertaking –
- 1.2.77.1 issued by the Borrower under any Finance Document;
- 1.2.77.2 issued by the Borrower in respect of any Permitted Indebtedness; and/or
- 1.2.77.3 issued by the Borrower with the prior written consent of the Lender;
- 1.2.78 **“Permitted Indebtedness”** means –
- 1.2.78.1 any Financial Indebtedness arising under any netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Borrower;
- 1.2.78.2 any Financial Indebtedness arising under any of the Finance Documents and subject always to the terms of this Agreement;
- 1.2.78.3 any Financial Indebtedness which is Subordinated Debt;
- 1.2.78.4 any Permitted Trade Credit; and/or
- 1.2.78.5 any other Financial Indebtedness which the Borrower incurs with the prior written consent of the Lender;
- 1.2.79 **“Permitted Loans”** means –
- 1.2.79.1 loans and credit extended by the Borrower to Debtors in the ordinary course of its business; and/or
- 1.2.79.2 any other loans made by the Borrower with the prior written approval of the Lender;
- 1.2.80 **“Permitted Security”** means –
- 1.2.80.1 any Security Interest which comes about by virtue of the operation of law;
- 1.2.80.2 any netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Borrower;
- 1.2.80.3 any Security Interest over bank accounts or retention rights in respect of deposits granted in favour of the account bank as part of that bank’s standard terms and conditions;
- 1.2.80.4 any Security Interest which arises under the Finance Documents; and/or
- 1.2.80.5 any Security Interest which the Borrower creates over any of its assets in favour of any person with the prior written consent of the Lender;
- 1.2.81 **“Permitted Share Issue”** means an issue of shares by the Borrower made with the prior consent of the Lender;

- 1.2.82 **“Permitted Trade Credit”** means trade credit which –
- 1.2.82.1 is:
- 1.2.82.1.1 payable within 90 days;
- 1.2.82.1.2 entered into in the ordinary course of the day-to-day business of the Borrower; and
- 1.2.82.1.3 on the relevant supplier’s standard terms; **or**
- 1.2.82.2 is incurred under the Mining Services Agreement;
- 1.2.83 **“Post Paydown Outstandings”** means the amount outstanding under the Mining Services Agreement, after the Borrower has applied the Initial Paydown towards discharging a portion of the Existing Outstanding Mining Fees;
- 1.2.84 **“Pound”** or **“£”** or **“GBP”** means the lawful currency of the United Kingdom, being the Pound, or any successor currency;
- 1.2.85 **“Prime Rate”** means, at any relevant time, the publicly quoted prime overdraft rate of interest of The Standard Bank of South Africa Limited, being the nominal rate of interest per annum (compounded monthly in arrears) at which that bank lends money on unsecured overdraft to corporate borrowers (a certificate from any manager of that bank, whose appointment or authority need not be proved, as to the prime rate at any time and the usual way in which it is calculated and compounded at such time will be *prima facie* proof of that rate).
- 1.2.86 **“R”** or **“ZAR”** or **“Rand”** means the lawful currency of South Africa, being South African Rand, or any successor currency;
- 1.2.87 **“Sanctioned Entity”** means (a) a person, country or territory which is listed on a Sanctions List or is subject to Sanctions; or (b) a person which is ordinarily located, organised or resident in a country or territory which is listed on a Sanctions List or is subject to Sanctions;
- 1.2.88 **“Sanctioned Transaction”** means the use of the proceeds of any Advance for the purpose of financing or any way in connection with military arms, prohibited narcotics, terrorist activities or in support of any person which intends to use the proceeds for any such activities, or providing any credit, directly or indirectly, to:
- 1.2.88.1 a Sanctioned Entity;
- 1.2.88.2 any other person or entity, if the Borrower has actual knowledge that the person or entity proposes to use the proceeds of any Advance for the purpose of financing or providing any credit, directly or indirectly, to a Sanctioned Entity,
- 1.2.88.3 in each case to the extent that to do so is prohibited by, or would cause any breach of, Sanctions;

- 1.2.89 "**Sanctions**" means trade, economic or financial sanctions, laws, regulations, embargoes or restrictive measures imposed, administered or enforced from time to time by any Sanctions Authority;
- 1.2.90 "**Sanctions Authority**" means the United Nations, the European Union; the Council of Europe (founded under the Treaty of London, 1946); the government of the United States of America; the government of the United Kingdom; the government of the Republic of France; and in each case any of their governmental authorities, including, without limitation, the Office of Foreign Assets Control for the US Department of Treasury (OFAC), the US Department of Commerce, the US State Department or the US Department of the Treasury, Her Majesty's Treasury (HMT) and the French Ministry of Finance (MINEFI);
- 1.2.91 "**Sanctions List**" means the SDN List; the Consolidated List of Financial Sanctions Targets and the Investments Ban List maintained by HMT and any similar list maintained, or a public announcement of a Sanctions designation made, by any Sanctions Authority, in each case as amended, supplemented or substituted from time to time;
- 1.2.92 "**SDN List**" means the Specially Designated Nationals and Blocked Persons List, as published by the United States Department of the Treasury Office of Foreign Asset Control from time to time, and available on the world-wide internet at the following website - <http://www.treas.gov/offices/enforcement/ofac/sdn/index.html> or any official successor website, which identifies terrorist organisations, individual terrorists and states which sponsor terrorism that are, in each instance, restricted from doing business with the United States of America and/or American companies and/or Americans;
- 1.2.93 "**Security**" means the Security Interests created by the Security Documents;
- 1.2.94 "**Security Documents**" means –
- 1.2.94.1 the Cession in Security;
- 1.2.94.2 the General Notarial Bond;
- 1.2.94.3 the Special Notarial Bond; and
- 1.2.94.4 any other document evidencing or creating any guarantee or Security Interest over any asset of any Obligor to secure any obligation of any Obligor to the Lender under the Finance Documents;
- and "**Security Document**" means, as the context requires, any of them;
- 1.2.95 "**Security Interest**" means any mortgage, pledge, security cession, hypothec, lien, any arrangement under which money or claims may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person and any other type of preferential agreement or arrangement (including title retention) having an effect similar to the creation of a security interest;

- 1.2.96 “**Signature Date**” means the date of signature of this Agreement by the Party last signing;
- 1.2.97 “**SLNI**” means has the meaning given to it in the Subscription Agreement;
- 1.2.98 “**SL Notes**” or “**SLNs**” has the meaning given to it in the Subscription Agreement;
- 1.2.99 “**Special Notarial Bond**” means the special notarial bond granted by the Borrower over specified plant, machinery and equipment in favour of the Lender as security for the obligations of the Borrower to Lender, in connection with, and/or arising from this Agreement and the Mining Services Agreement for a principal sum of at least ZAR85,000,000 and an additional sum equal to at least 20% of such principal sum, or such other amounts as agreed to by the Lender, together with a power of attorney in favour of the Bond Attorneys to pass and register the bond at the applicable Deeds Registry;
- 1.2.100 “**South Africa**” means the Republic of South Africa;
- 1.2.101 “**Subordinated Debt**” means any shareholders’ loans, debt, loans and any other claims against the Borrower on loan account by shareholders or other parties that have been subordinated to the Facility substantially in accordance with the terms of the Subordination Agreement *mutatis mutandis*;
- 1.2.102 “**Subordination Agreement**” means the written subordination agreement entered into or about to be entered into on or about the Signature Date between the Borrower Parent, the Lender and the Borrower pursuant to which the Borrower Parent subordinates repayment of any and all claims any nature whatsoever (including by way of loan account or otherwise, in contract or in delict, actual or contingent, and including any interest accrued thereon) it has or may have in its capacity as shareholder or otherwise against the Borrower in favour of the Lender;
- 1.2.103 “**Subscription Agreement**” means the written subscription agreement entered into on or about the Signature Date between the Borrower Parent, the Lender Parent and others;
- 1.2.104 “**Taxes**” means all taxes, charges, imposts, levies, deductions, withholdings, or any amount payable on account of or as security for any of the foregoing by whomsoever and on whomsoever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto in terms of any tax legislation, and “Tax” and “Taxation” shall be construed accordingly;
- 1.2.105 “**Transfer**” means the Lender –
- 1.2.105.1 cedes the whole or a portion of its rights under this Agreement to a Transferee; or
- 1.2.105.2 cedes and delegates the whole or any portion of its rights and obligations under this Agreement to a Transferee,
- as more fully envisaged in Clause 22;
- 1.2.106 “**Transferee**” means any person that is not a Sanctioned Entity;

1.2.107 “**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents;

1.2.108 “**VAT**” means value added tax payable in terms of the Value Added Tax Act (No. 89 of 1991).

1.3 **Construction**

1.3.1 Unless the context indicates otherwise, –

1.3.1.1 an expression which denotes –

1.3.1.1.1 any gender includes the other genders;

1.3.1.1.2 a natural person includes a juristic person and *vice versa*;

1.3.1.1.3 the singular includes the plural and *vice versa*; and

1.3.1.2 Clause headings are for convenience only and are not to be used in its interpretation;

1.3.1.3 a reference to a consecutive series of two or more Clauses is deemed to be inclusive of both the first and last mentioned Clauses;

1.3.1.4 any reference to time shall be construed to the time and date prevailing in South Africa;

1.3.1.5 any reference in this Agreement to –

1.3.1.5.1 “**this Agreement**” or to any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document, as amended, varied, novated or supplemented from time to time;

1.3.1.5.2 any “**Party**”, “**Borrower**”, “**Obligor**”, “**Lender**”, or any other person shall be construed so as to include its successors in title, permitted cessionaries and permitted transferees;

1.3.1.5.3 an “**amendment**” includes an amendment, supplement, novation, re-enactment, replacement, restatement or variation and amend will be construed accordingly;

1.3.1.5.4 the words “**Annexure**” or “**Annexures**” refer to and annexures to this Agreement;

1.3.1.5.5 “**assets**” includes businesses, undertakings, securities, properties, revenues or rights of every description and whether present or future, actual or contingent;

1.3.1.5.6 “**authority**” includes any court or any governmental, intergovernmental or supranational body, agency, department or any regulatory, self-regulatory or other authority;

1.3.1.5.7 “**business hours**” shall be construed as being the hours between 08h30 and 17h00 on any Business Day. Any reference to time shall be based upon South African Standard Time;

1.3.1.5.8 “**capitalised**” means, in relation to any applicable amount that will, in terms of this Agreement be capitalised, that such amount shall be added to the Outstandings to then

form part of the Outstandings for all purposes under this Agreement, including that interest then accrues on the Outstandings from that point on as increased by such capitalised interest;

- 1.3.1.5.9 the words “**Clause**” or “**Clauses**” refer to clauses of this Agreement;
- 1.3.1.5.10 “**control**” means in relation to any company or similar organisation or person:
- 1.3.1.5.10.1 the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
- 1.3.1.5.10.1.1 cast, or control the casting of, more than 50.00 per cent. of the maximum number of votes that might be cast at a general meeting of that person;
- 1.3.1.5.10.1.2 appoint or remove all, or the majority, of the directors or other equivalent officers of that person; or
- 1.3.1.5.10.1.3 give directions with respect to the operating and financial policies of that person with which the directors or other equivalent officers of that person are obliged to comply; and/or
- 1.3.1.5.10.2 the power to direct the management and policies of an entity, whether through the ownership of voting capital, or through the right to appoint directors, or by contract or otherwise; and/or
- 1.3.1.5.10.3 the holding (beneficially or legally) of more than 50.00 per cent. of the issued share capital of that person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital);
- 1.3.1.5.11 a “**Finance Document**” or any other agreement or instrument includes (without prejudice to any prohibition on amendments) all amendments (however fundamental) to that Finance Document or other agreement or instrument, including any amendment providing for any increase in the amount of a loan or any additional loan or replacement loan;
- 1.3.1.5.12 “**holding company**” means a holding company, as defined in section 1 of the Companies Act; and
- 1.3.1.5.13 “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.3.1.5.14 a Party being required to “**indemnify**” any person against or in respect of any event, act, omission, fact or circumstance (the “**Indemnified Event**”) shall be construed as an obligation on that Party to pay to such person on demand an amount equal to all liabilities, damages, costs, charges, expenses and losses of any nature incurred or

- suffered, directly or indirectly, by that person as a consequence of or otherwise arising out of, attributable to or in connection with the Indemnified Event;
- 1.3.1.5.15 “**laws**” means all constitutions; statutes; regulations; by-laws; codes; ordinances; decrees; rules; judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, rulings, or awards; policies; voluntary restraints; guidelines; directives; compliance notices; abatement notices; agreements with, requirements of, or instructions by any Governmental Body; and the common law, and “law” shall have a similar meaning;
- 1.3.1.5.16 “**person**” means any person, company, close corporation, trust, partnership or other entity whether or not having separate legal personality;
- 1.3.1.5.17 a “**refinancing**” means an unscheduled repayment of the Loan and other amounts outstanding under the Finance Documents which is funded, directly or indirectly, by way of Financial Indebtedness incurred or shares issued by the Borrower, any subsidiary of the Borrower, or the Borrower Parent, and “refinance” will be construed accordingly;
- 1.3.1.5.18 “**subsidiary**” means a subsidiary, as defined in section 1 of the Companies Act; and
- 1.3.1.5.19 “**writing**” means legible writing and in English and includes email, and “written” shall have a corresponding meaning.
- 1.3.2 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it appears only in an interpretation Clause, effect shall be given to it as if it were a substantive provision of the Agreement.
- 1.3.3 A Default (other than an Event of Default) is “**continuing**” if it has not been waived by the Lender in writing or remedied by the Borrower, and an Event of Default is “continuing” if it has not been waived by the Lender in writing or remedied by the Borrower.
- 1.3.4 The words “**include**” and “**including**” mean “include without limitation” and “including without limitation”. The use of the words “**include**” and “**including**” followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 1.3.5 Words and expressions defined in any Clause shall, unless the application of any such word or expression is specifically limited to that Clause, bear the meaning assigned to such word or expression throughout this Agreement.
- 1.3.6 Unless otherwise provided, defined terms appearing in this Agreement in title case shall be given their meaning as defined, while the same terms appearing in lower case shall (unless otherwise defined in this Clause 1.3) be interpreted in accordance with their plain English meaning.
- 1.3.7 The rule of construction that this Agreement shall be interpreted against the Party responsible for the drafting of this Agreement, shall not apply.

- 1.3.8 A reference to any law shall be construed as a reference to that law as at the Signature Date and as extended, applied, amended or re-enacted from time to time.
- 1.3.9 No provision of this Agreement shall (unless otherwise stipulated) constitute a stipulation for the benefit of any person who is not a Party to this Agreement.
- 1.3.10 Unless a contrary indication appears, where any number of days is to be calculated from a particular day, such number shall be calculated as excluding that particular day and including the last day of such period.
- 1.3.11 Except to the extent that any provision of this Agreement expressly provides otherwise, if the only day or the last day for the exercise of any right, performance of any obligation or taking (or procuring the taking of) any action in terms of any provision of this Agreement falls on a day which is not a Business Day, such right shall be capable of being exercised, or such obligation performed or action taken on the immediately succeeding Business Day.
- 1.3.12 This Agreement shall to the extent permitted by applicable laws be binding on and enforceable by the administrators, trustees, permitted cessionaries, business rescue practitioners or liquidators of the Parties as fully and effectually as if they had signed the Agreement in the first instance and reference to any Party shall be deemed to include such Party's administrators, trustees, permitted cessionaries, business rescue practitioners or liquidators, as the case may be.
- 1.3.13 The expiry or termination of this Agreement shall not affect those provisions of this Agreement that expressly provide that they will operate after any such expiry or termination or which of necessity must continue to have effect after such expiry or termination, notwithstanding that the Clauses themselves do not expressly provide for this.
- 1.3.14 The use of any expression in this Agreement covering a process available under South African law, such as winding-up, shall, if either of the Parties to this Agreement is subject to the law of any other jurisdiction, be construed as including any equivalent or analogous proceedings under the law of such other jurisdiction.

2 INTRODUCTION

- 2.1 The Borrower requires finance for purposes of financing its payment obligations under the Mining Services Agreement and its other working capital requirements from time to time.
- 2.2 The Lender is willing to provide such funding to the Borrower in the form of the Facility on the terms and conditions set out in this Agreement.
- 2.3 The Parties wish to record in writing their agreement in respect of the above and matters ancillary thereto.

3 ADVANCE CONDITIONS

3.1 General

The Lender's obligations to make available and advance any amount under the Facility to the Borrower and to perform any of its other obligations in terms of this Agreement are subject to the fulfilment of the Advance Conditions in form and substance satisfactory to the Lender by no later than the Cut-off Date.

3.2 Waiver and deferral

3.2.1 Fulfilment of any of the Advance Conditions may, unless required in law, be waived or deferred by the Lender, on such conditions as the Lender may agree in writing. Any deferred Advance Condition shall then automatically cease to be an Advance Condition and shall become a condition subsequent requiring fulfilment after the Effective Date in accordance with the terms agreed by the Lender (a "**Condition Subsequent**"). Notwithstanding the use of such an expression in this Agreement, the consequence for a failure to timeously fulfil a Condition Subsequent shall be regulated in terms of clause 14.15 and shall not result in the lapsing or termination of this Agreement.

3.2.2 If the Advance Conditions are not fulfilled, waived and/or deferred, as applicable, by the Cut-Off Date, this Agreement shall automatically terminate on and with effect from the Cut-Off Date and neither Party will have any claim against the other in terms of or arising from the non-fulfilment of the Advance Conditions.

3.3 CP Notice

3.3.1 The Advance Conditions shall only be considered fulfilled, deferred and/or waived, as applicable, if and once the Lender delivers the CP Notice to the Borrower. The Lender shall deliver the CP Notice to the Borrower as soon as reasonably possible once it is satisfied that the Advance Conditions have been fulfilled, deferred and/or waived, as applicable. The Lender shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

3.3.2 If the Lender considers the Advance Conditions to have been fulfilled, deferred and/or waived, as applicable, and the Lender then advances any amount under the Facility without the Lender first, by oversight or otherwise, having delivered the CP Notice, then notwithstanding any other provision of a Finance Document, the Effective Date shall be deemed to have occurred on the date of such advance.

3.3.3 If, acting in the mistaken belief that the Advance Conditions have all been fulfilled, the Lender advances any amount (the "**Advanced Amount**") to the Borrower on account of the Facility –

3.3.3.1 the terms and conditions of this Agreement shall, notwithstanding the non-fulfilment, non-extension or non-waiver of the Advance Conditions but subject to Clause 3.3.3.2, apply to the Advanced Amount; and

3.3.3.2 the Lender shall not be obliged to make any further advances on account of that Facility to the Borrower.

3.4 **Designated Condition Subsequent**

3.4.1 Without limitation to the generality of clause 3.3, the following are designated as Conditions Subsequent to be fulfilled as follows -

3.4.1.1 All documents required to procure the registration of the General Notarial Bond and the Special Notarial Bond including a duly executed power of attorney in favour of the Bond Attorneys to execute and register such General Notarial Bond and Special Notarial Bond at the applicable Deeds Registries have been entered into by the Borrower within 20 (twenty) Business Days after the Effective Date;

3.4.1.2 The General Notarial Bond to be entered into by the Borrower is registered with the appropriate authority within 45 days after the Effective Date (as such period may be extended in the circumstances contemplated in Clause 3.5);

3.4.1.3 The Special Notarial Bond to be entered into by the Borrower is registered with the appropriate authority within 45 days after the Effective Date (as such period may be extended in the circumstances contemplated in Clause 3.5);

3.4.1.4 The application for consent from the South African Minister of Mineral Resources and Energy in terms of section 11 of the MPRDA as contemplated in Clause 3.4.1.4 has been submitted to the appropriate authority within 20 (twenty) Business Days after the Effective Date (as such period may be extended in the circumstances contemplated in Clause 3.6).

3.5 If registration of the General Notarial Bond or the Special Notarial Bond has not occurred within the relevant period set out in Clause 3.4.1.2 or 3.4.1.3, as the case may be, notwithstanding the Borrower having taken all such steps and signed all such documents as may have been required of it and within the time period set out in Clause 3.4.1.1 and/or registration has not occurred within the such time period as a result of delays in registration at the appropriate authority, then such time period shall be extended by such period as may be agreed by the Lender and the Borrower and, failing agreement between them, such time period as the Bond Attorneys (acting as experts and not as mediators) may think is reasonable for such registration to occur.

3.6 If submission of application for consent from the South African Minister of Mineral Resources and Energy as contemplated under section 11 of the MPRDA as contemplated in Clause 3.4.1.4 has not occurred within the time period contemplated in Clause 3.4.1.4 as a result of delays and/or inoperability of the on-line or physical application submission portals, then such time period shall be extended by such period as may be agreed by the Lender and the Borrower and, failing agreement between them, a period of not less than 5 (five) Business Days after the on-line or physical application submission portals have been continuously operable for at least 5 (five) successive Business Days.

3.7 Without limiting Clause 3.5 or 3.6, the Lender may, on written notice to the Borrower, extend the period for the fulfilment of these designed Conditions Subsequent if the Lender is reasonably satisfied that the Borrower is using its reasonable commercial endeavours to comply with such requirements and/or if any delay in fulfilling the Conditions Subsequent has not been caused by the Borrower.

4 FACILITY

4.1 Availability

4.1.1 The Lender hereby agrees to make the Facility in a maximum amount equal to the Facility Limit available to the Borrower on the terms and conditions set out in this Agreement.

4.1.2 During the Availability Period, the Facility Limit shall be as follows:

4.1.2.1 for the first 180 days after the Effective Date: an aggregate amount of R30,000,000;

4.1.2.2 for the period from 180 days after the Effective Date: an aggregate (and reduced) amount of R20,000,000,

which shall in each case include all capital amounts and accrued and unpaid interest, if any.

4.2 Purpose

4.2.1 The Borrower undertakes to apply the Initial Paydown received from the Borrower Parent towards a partial discharge of the Existing Outstanding Mining Fees.

4.2.2 In addition, the Borrower shall apply all amounts borrowed by it under the Facility strictly to settle the Borrower's payment obligations under the Mining Services Agreement and other working capital requirements as approved by the Lender from time to time.

4.2.3 The provisions set out in Clause 4.2.1 shall (in the absence of the Initial Paydown being applied and paid by the Borrower in the manner contemplated in Clause 4.2.1) not in any manner whatsoever qualify or prejudice the duty and obligation of the Borrower to pay the Outstandings to the Lender.

5 UTILISATION

5.1 Draw Down

5.1.1 Subject to clause 5.2, during the Availability Period, the Lender will lend to the Borrower and the Borrower will borrow the following amounts on the following dates (each an "**Advance Date**"):

5.1.1.1 on the Effective Date, the Lender will automatically advance to the Borrower an amount equal to the Post Paydown Outstandings ("**Initial Loan**") with the obligation of the Lender to advance the Loan amount equal to the Post Paydown Outstandings being set-off against the obligation of the Borrower to settle Post Paydown Outstandings (as a result of which

the Borrower shall cease to have any claim pertaining to the advance of the relevant amount of the Loan and the Lender shall cease to have any claim pertaining to the Post Paydown Outstandings);

5.1.1.2 on the Effective Date, the Lender will automatically advance to the Borrower amount of the transaction costs and expenses owing to the Lender under clause 26.2.1, (“**Transaction Expenses Loan**”), with the obligation of the Lender to advance the Loan Amount equal to the Transaction Expenses Loan being set-off against the obligation of the Borrower to pay the transaction costs and expenses owing to the Lender under clause 26.2.1 (as a result of which the Borrower shall cease to have any claim pertaining to the advance of the relevant amount of the Loan and the Lender shall cease to have any claim pertaining to the transaction costs and expenses owing to the Lender under clause 26.2.1);

5.1.1.3 subject to the remaining provisions of this Clause 5, the Lender will automatically advance to the Borrower on each date the Lender issues the Monthly Mining Invoice, an amount equal to the Monthly Mining Fees (each a “**Monthly Loan**”) with the obligation of the Lender to advance the Loan Amount equal to the Monthly Loan being set-off against the obligation of the Borrower to pay the Monthly Mining Fees owing to the Lender (as a result of which the Borrower shall cease to have any claim pertaining to the advance of the relevant amount of the Loan and the Lender shall cease to have any claim pertaining to the relevant Monthly Mining Fee owing to the Lender);

5.1.1.4 on any other date, the Borrower shall, subject to the remaining provisions of this Clause 5, be entitled to make drawdowns against the Facility, by delivering an irrevocable written notice (“**Draw Down Notice**”) to the Lender, on not less than 5 Business Days notice.

5.1.2 Each Monthly Loan shall be applied by the Borrower to discharge its obligations to pay the Monthly Mining Fee whether in full or a portion thereof, as applicable.

5.1.3 It is recorded and agreed that:

5.1.3.1 the Lender is obligated to advance the Initial Loan, the Transaction Expenses Loan and the Monthly Loans to the Borrower under this Agreement on each applicable Advance Date;

5.1.3.2 the Borrower is obligated to pay the Post Paydown Outstandings, the amount of the transaction costs and expenses contemplated under clause 26.2.1 and the Monthly Mining Fees to the Lender pursuant to the Mining Services Agreement;

5.1.3.3 the amounts of the Initial Loan, the Transaction Expenses Loan and each Monthly Loan will be equal to the Post Paydown Outstandings, the amount of the transaction costs and expenses contemplated under clause 26.2.1 and the Monthly Mining Fee, respectively; and

5.1.3.4 for the sake of convenience, no physical cash will be advanced between the Lender and the Borrower for the Initial Loan and Monthly Loan and thus, a Loan will be deemed to have been drawn down and advanced to the Borrower on each applicable Advance Date.

5.2 **Conditions to Draw Down**

5.2.1 Notwithstanding anything to the contrary contained herein the Lender shall not be obliged to advance a Loan to the Borrower –

5.2.1.1 other than during the Availability Period;

5.2.1.2 if the Outstandings exceed the Facility Limit or will exceed the Facility Limit as a result of advancing the Loan;

5.2.1.3 if a Default is continuing or would result from the advance of that Loan;

5.2.1.4 if, in the reasonably exercised opinion of the Lender, a Material Adverse Event has occurred ;

5.2.1.5 if the Lender has not approved any Draw Down Notice for any other Loans (which are not the Monthly Loan, the “Transaction Expenses Loan” (as defined in clause 5.1.1.2) or the Initial Loan) to the extent that such Loan is not in accordance with the board approved business plan and budget.

5.3 **Draw Down Representations**

On the date of each proposed Advance Date for any Loan, the Borrower represents and warrants in favour of the Lender that (a) no Default has occurred and is continuing or would result from the making of the proposed Loan; (b) all the representations and warranties contained in this Agreement are true and correct; (c) no Material Adverse Event has occurred;

5.4 **End of the Availability Period**

Any portions of the Facility not drawn down in full by the end of the Availability Period shall no longer be available for draw down by the Borrower in terms of this Agreement.

5.5 **Redraw**

Save in respect of any repayment made pursuant to Clause 8 (*Mandatory Prepayment*), the Borrower may re-borrow any part of the Facility which is repaid during the Availability Period.

6 **INTEREST**

6.1 **Calculation and Payment**

6.1.1 The Outstandings shall accrue interest at a rate of interest equal to the Interest Rate with effect from the relevant Advance Date.

6.1.2 The interest envisaged in Clause 6.1.1 shall –

6.1.2.1 accrue on a nominal annual compounded Monthly in arrears basis; and

6.1.2.2 be calculated on a daily basis and based on the number of days elapsed during the relevant Calendar Month.

- 6.1.3 The Borrower shall only be required to pay interest on an Interest Payment Date if the accrued interest together with all other Outstandings (without double counting) exceeds the Facility Limit in clause 4.1.2.2 on any Interest Payment Date or will exceed the Facility Limit in clause 4.1.2.2 at any time prior to the next Interest Payment Date, the Borrower shall pay on such Interest Payment Date such portion of the accrued and unpaid interest so as to ensure that the accrued interest together with all other Outstandings (without double counting) does not exceed the Facility Limit in clause 4.1.2.2.
- 6.1.4 All accrued interest on each Loan shall, to the extent not paid, be capitalised and added to the outstanding principal amount of that Loan on the last day of each Interest Period.
- 6.1.5 After capitalised interest will:
- 6.1.5.1 be treated as part of the principal amount of that Loan as described in Clause 6.1.2.1;
 - 6.1.5.2 accrue interest in accordance with this Clause 6; and
 - 6.1.5.3 be subject to the repayment and prepayment provisions of this Agreement.

6.2 **Default Interest**

- 6.2.1 If an Event of Default occurs, all amounts owing by the Borrower to the Lender on account of the Facility (whether in respect of interest, principal or otherwise) shall, without prejudice to any other rights which the Lender may have against the Borrower as a result of such occurrence, accrue interest at a rate equal to the Interest Rate plus 3% (with effect from the date on which the Event of Default and for so long as it is continuing). Any interest due in terms of this Clause 6.2 shall be compounded Monthly on the first day of such Calendar Month and shall be payable by the Borrower to the Lender on demand.
- 6.2.2 If any Unpaid Sum consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period relating to that Loan, the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan, and the succeeding Interest Period shall be such period as the Lender may select.

7 **REPAYMENT**

- 7.1 The Borrower shall repay the Outstandings as follows:
- 7.1.1 In respect of the 1st Loan advanced, an amount equal to R10,000,000 in 6 equal instalments at the end of each Calendar Month after the Effective Date;
 - 7.1.2 In respect of the Outstandings as at the 1st anniversary of the Effective Date, 6 equal instalments at the end of each Calendar Month after the 1st anniversary of the Effective Date;
 - 7.1.3 Thereafter, the Borrower shall repay all Outstandings under the Facility (including accrued and unpaid interest thereon) in full by no later than the Maturity Date.

7.2 If pursuant to draw down of less than the Facility or an unscheduled payment, repayment or prepayment made in respect of the Loans, the number of the outstanding instalments at that time are to be reduced (with the relevant repayment amounts remaining the same), the Lender shall recalculate the number and amount of the instalments and deliver a schedule of revised instalments.

7.3 Notwithstanding the aforesaid, at any prior to the registration of the Special Notarial Bond and the General Notarial Bond in the applicable Deeds Registry, whichever is registered later, the Lender may cancel the Facility with immediate effect on written notice to the Borrower. Upon such notice being given, the Outstandings owing to the Lender shall become immediately due and payable to the Lender and the Borrower shall repay all Outstandings to the Lender.

7.4 **Voluntary prepayments**

7.4.1 Subject to clause 7.4.2, the Borrower shall, in respect of each Loan, be entitled to prepay all or portions of the Outstandings at any time before the Maturity Date, provided that the Borrower has given the Lender not less than 5 Business Days prior written notice of its intention to make the prepayment.

7.4.2 Any prepayment made in terms of clause 7.4.1 shall be applied in descending order from the oldest to the newest Loans determined by their Advance Dates (the oldest Loan being the Loan with the oldest Advance Date), being applied in the first instance to the payment of any costs incurred by the Lender in connection with the Loan, thereafter to interest then due and payable and thereafter, in reduction of the Loan principal.

8 **MANDATORY PREPAYMENTS**

8.1 **Illegality:** If it becomes unlawful in any applicable jurisdiction for the Lender to fund or maintain any Loan then the Lender may, without prejudice to any other rights or remedies which may be available to it at law or otherwise, declare all the Outstandings to be immediately due and payable, whereupon all such amounts shall become immediately due and payable.

8.2 **Sanctions:** If the Borrower or any other Obligor is or becomes a Sanctioned Entity, participates in any manner in any Sanctioned Transaction and/or is found by a Sanctions Authority to have acted in breach of any Sanctions, whether pursuant to this Agreement or otherwise, the Lender may without prejudice to any other rights or remedies which may be available to it at law or otherwise, declare the Outstandings to be immediately due and payable, whereupon all such amounts shall become immediately due and payable.

8.3 **Change of Control:** Upon the occurrence of a Change of Control (except as may arise from the Lender, or any of its Affiliates assuming control of the Borrower Parent); or the sale of all or substantially all of the assets of the Borrower whether in a single transaction or a series of related transactions (a) the Borrower shall promptly notify the Lender upon becoming aware of that event; and (b) if the Lender so requires, cancels the Facility and the Outstandings, together with accrued

and unpaid interest, and all other amounts accrued under the Facility Documents shall become immediately due and payable on first written demand.

- 8.4 **Refinancing:** If the Borrower raises any funds, whether through the issuance of shares, notes, debentures, or any other securities, or the entering into of any other debt arrangements or any other Refinancing, if the Borrower is the party raising the funds it must, or if the Borrower Parent is the party raising the funds, the Borrower must procure that it receives such proceeds from the Borrower Parent (whether by way of an inter-group loan or otherwise), and prepay such proceeds that it receives, to the Lender in reduction of the Outstandings on the last day of the Calendar Month in which such event occurs, save to the extent of any funds raised by the Borrower Parent and required by it for its own working capital needs in accordance with its adopted business plan and budget.

9 PAYMENT MECHANICS

9.1 General

The Borrower shall make payment of all amounts payable by it to the Lender pursuant to this Agreement in Rands on the due date for payment, free of exchange, set-off or any other deduction or counterclaim and by electronic transfer into the Lender's Account.

9.2 No deduction

9.2.1 The Borrower shall have no right to –

9.2.1.1 defer, withhold or adjust any payment due to the Lender arising out of this Agreement;

9.2.1.2 obtain the deferment of any judgment for any such payment or part thereof; or

9.2.1.3 obtain deferment of any execution of any judgment,

by reason of any set-off or counterclaim of whatsoever nature and howsoever arising, except as may be otherwise permitted in this Agreement.

9.3 Business days

If the date for payment of any amount which becomes payable pursuant to this Agreement (whether in respect of interest, principal or otherwise) is not a Business Day, the due date for payment shall be the next succeeding Business Day.

9.4 Payments pending prepayments

If the Borrower is entitled to make any prepayment in terms of this Agreement, the Borrower shall remain liable to pay any amounts as and when they fall due for payment in terms of this Agreement.

9.5 **Partial Payments**

9.5.1 If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Agreements or the other Finance Documents, as the case may be, (the “Relevant Finance Documents”) the Lender shall apply that payment as soon as reasonably practical in reduction of the payment obligations of the Borrower under the Relevant Finance Documents in such order of appropriation as the Lender deems fit and has notified the Borrower.

9.5.2 Clause 9.5.1 will override any appropriation made by the Borrower.

10 **REPRESENTATIONS AND WARRANTIES**

10.1 **General**

10.1.1 Unless stated to be provided on specified dates only, the Borrower gives the representations and warranties set out in this Clause 10 to the Lender on the Signature Date and on each date thereafter until the Discharge Date with reference to the facts and circumstances existing on such date.

10.1.2 A reference in this Clause 10 to “it” or “its” means, unless the context otherwise requires, the Borrower. The Lender enters into the Finance Documents to which it is a party on the strength of and relying on the representations and warranties set out in this Clause 10, each of which shall be deemed to be material, separate and given without prejudice to any other warranty in any other Finance Document and insofar as it is promissory or relates to a future event, is given as at the due date for fulfilment.

10.2 **Status**

10.2.1 The Borrower is a limited liability company, duly incorporated and validly existing under the laws of South Africa.

10.2.2 The Borrower has the power to own its assets and carry on its business as it is being conducted.

10.3 **Power and authority**

The Borrower has the legal capacity and power to conclude the Finance Documents to which it is a party, and to perform its obligations under the Finance Documents to which it is a party.

10.4 **Validity and Admissibility into Evidence**

10.4.1 Subject to the documents contemplated in paragraph 1.1 and 1.2 of Annexure “A” having been delivered, all authorisations required or desirable –

10.4.1.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Finance Documents to which it is a party and to ensure that the obligations expressed

to be assumed by it the Finance Documents to which it is a party are legal, valid, binding and enforceable; and

10.4.1.2 to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

10.4.2 All Authorisations necessary for the conduct of the business, trade and ordinary activities of the Borrower have been obtained or effected and are in full force and effect.

10.5 **Binding obligations**

10.5.1 The Finance Documents to which it is a party constitute agreements valid and binding on it and enforceable against it in accordance with their terms.

10.5.2 Without limiting the generality of Clause 10.5.1, each Security Document to which it is a party creates the security interests which that Security Document purports to create and those security interests are valid and effective.

10.6 **Borrowing Powers**

No limit on its powers will be exceeded as a result of the borrowing, giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party.

10.7 **Non-conflict with other obligations**

The execution of the Finance Documents to which it is a party and the performance of its obligations thereunder does not and shall not contravene any law or regulation to which it is subject, or any provision of its constitutional documents or conflict with, or constitute a breach of any of the provisions of any other agreement, obligation, restriction or undertaking which is binding on it.

10.8 **Governing Law and Enforcement**

10.8.1 The choice of governing law of the Finance Documents will be recognised and enforced in South Africa, subject to the laws of general application regarding the recognition and enforceability of such foreign laws.

10.8.2 Any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in South Africa, subject to the laws of general application regarding the recognition and enforceability of such foreign judgment.

10.9 **No Filing or Stamp Taxes**

Except as may be required in terms of South African foreign exchange laws, it is not necessary that the Finance Documents be filed, recorded or enrolled with any South African court or other

authority in that jurisdiction or that any South African stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

10.10 No other impairments

As at the Signature Date, the Effective Date and each Advance Date, to the best of its knowledge and belief, the Borrower is not aware of the existence of any fact or circumstance that may impair its ability to comply with all of its obligations in terms of the Finance Documents to which it is a party.

10.11 No Default

No Default has occurred and is continuing or might result from the entry into of, or the performance of any transaction contemplated by, the Finance Documents to which it is a party, and no other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject.

10.12 No misleading information

10.12.1 All factual, written and material information contained in or provided by the Borrower or by any other person on its behalf in fulfilment of the Advance Conditions or otherwise provided to the Lender in relation to the execution of the Finance Documents was true, accurate and complete in all material respects as at the date it was provided or as at the date (if any) at which it is stated, and no information has been given or withheld in relation to the execution of the Finance Documents that results in such information being untrue or misleading in any material respect, and neither has the Borrower knowingly withheld any information in relation to the execution of the Finance Documents which, if disclosed, would reasonably be expected to materially and adversely affect the decision of the Lender to enter into the Finance Documents.

10.12.2 All expressions of opinion, expectation, intention or policy provided to the Lender in relation to the Borrower in the context of the execution of the Finance Documents were made after careful consideration and were fair and reasonable as at the date at which they are stated to be given and can be properly supported.

10.12.3 All forecasts and projections contained in documents submitted pursuant to the Advance Conditions were prepared on the basis of recent historical information and assumptions which were fair and reasonable at the Signature Date and were not misleading in any material respect.

10.13 No proceedings pending or threatened

Save as disclosed to the Lender in writing before the Signature Date, as at the Signature Date, the Effective Date and each Advance Date, there are no litigation proceedings, arbitration proceedings, administrative proceedings, liquidation applications, winding up applications or business rescue applications instituted or, to the best of its knowledge and belief, threatened

against it, which, if adversely determined, might reasonably be expected to be a Material Adverse Event.

10.14 Insolvency and financial distress

As at the Signature Date, the Effective Date and each Advance Date, no event or circumstance described in Clause 14.4.6 has occurred or exists in relation to it.

10.15 No breach of laws

It has not breached any law or regulation which breach has or might reasonably be expected to be a Material Adverse Event.

10.16 Tax

10.16.1 The Borrower has duly and punctually paid and discharged all amounts of Taxes imposed upon it or its assets within a time period allowed without incurring penalties except to the extent that payment is being contested in good faith (and the details thereof were provided in writing to the Lender), it has maintained adequate provisions for those Taxes in accordance with Accounting Principles and payment can be lawfully withheld.

10.16.2 No claims or investigations by any Tax authority are, to the best of its knowledge and belief, being made or conducted or are reasonably likely to be made or conducted against the Borrower.

10.16.3 It is resident for Tax purposes only in the jurisdiction of its incorporation.

10.17 Pari Passu Ranking

The Borrower's payment obligations under the Finance Documents to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law.

10.18 No Indebtedness

The Borrower has no Financial Indebtedness other than Permitted Indebtedness or which has been disclosed to the Lender in writing before the Signature Date.

10.19 No Security

10.19.1 No Security Interest exists over all or any of the present or future assets of the Borrower, other than Permitted Security.

10.19.2 No Security Interest will arise solely as a result of the execution and performance of the Borrower's rights and obligations under the Finance Documents to which it is a party (except as contemplated in the Finance Documents).

10.20 **Good Title to Other Assets**

The Borrower has good and valid title to or validly leases or Licences, and has all appropriate Authorisations, to use, all of the assets necessary to carry on its business.

10.21 **Insurance**

The Borrower maintains insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on a substantially similar business in the jurisdiction in which it conducts its business.

10.22 **Licences**

10.22.1 Subject to clause 10.22.2, the Borrower has all such Licences as are prescribed by law for the conduct of its business and is in material compliance with such Licences, and the Borrower is not aware of any fact or circumstance which may result in the cancellation, withdrawal or non-renewal of any of them.

10.22.2 As at the Signature Date, the Mining Right has expired, however, the Borrower has applied for the renewal thereof with the applicable authority.

10.23 **Environmental laws**

10.23.1 All Environmental Permits required for it to carry on its respective businesses in the ordinary course have been obtained or effected and are in full force and effect.

10.23.2 No Environmental Claim has been commenced or is threatened against the Borrower where that claim has or is reasonably likely, if determined against the Borrower, to have a Material Adverse Effect or is reasonably likely to result in any liability for the Lender.

10.24 **Ownership and control**

No Change of Control has occurred (except as may arise from the Lender, or any of its Affiliates assuming control of the Borrower Parent).

10.25 **No Immunity**

In any proceedings taken in South Africa or in any other jurisdiction, the Borrower will not be entitled to claim for itself or any of its assets sovereign immunity from suit, execution, attachment or other legal process in relation to this Agreement or any other Finance Document to which it is a party.

10.26 **Transaction Security**

The Security has the ranking in priority which it is expressed to have in the applicable Security Document and is not subject to any prior ranking or *pari passu* ranking Security Interest, except to the extent stated therein or envisaged in this Agreement.

11 INFORMATION UNDERTAKINGS

11.1 Financial statements and management accounts

11.1.1 The Borrower shall supply to the Lender –

11.1.1.1 as soon as the same become available, but in any event within 120 days after the end of each of its Financial Year, the audited financial statements of the Borrower for that Financial Year;

11.1.1.2 as soon as the same become available, but in any event within 15 Business Days after the end of each Calendar Month, the management accounts (which shall include at least a cash flow statement, income statement and balance sheet on a year-to-date basis) of the Borrower for that Calendar Month. In addition, such monthly management accounts shall include a summary of the following information in respect of the debtors (all in Microsoft Excel format) –

11.1.1.3 detailed list of transactions, including –

11.1.1.3.1 date of credit;

11.1.1.3.2 Debtor name;

11.1.1.3.3 amount of credit;

11.1.1.4 detailed list of transactions receipted – each receipt linked to a copy of banking statement of the Borrower;

11.1.1.4.1 age analysis per Debtor;

11.1.1.4.2 age analysis per matter; and

11.1.1.4.3 list of all bad debt provisions or bad debt written off.

11.2 Requirements as to financial statements

11.2.1 Each set of financial statements and management accounts delivered by the Borrower pursuant to Clause 11.1 shall be certified by at least 2 directors of the Borrower (of which one shall be the financial director or chief executive officer) as a true and accurate representation of its financial condition as at the date as at which those financial statements or management accounts (as applicable) were drawn up.

11.2.2 The Borrower shall procure that each set of financial statements delivered pursuant to Clause 11.1 is prepared using the Accounting Principles, and each set of financial statements and management accounts delivered pursuant to Clause 11.1 is prepared using accounting practices and financial reference periods consistent with those applied in the preparation of the most recently delivered financial statements or management accounts (as applicable) delivered to the Lender.

11.3 **Litigation**

The Borrower shall supply to the Lender, promptly but within 5 Business Days upon becoming aware thereof, the details of any litigation or arbitration proceedings which are instituted or threatened against the Borrower.

11.4 **Default under this Agreement**

The Borrower shall supply to the Lender, promptly but within 2 Business Days upon becoming aware thereof, the details of any Default (and the steps, if any, being taken to remedy such Default). The Borrower shall, promptly but within 2 Business Days upon request by the Lender, supply to the Lender a certificate signed by a director of the Borrower certifying that, to the best of its knowledge and belief (and after making reasonable enquiry) no Default has occurred and is continuing.

11.5 **Default under any other agreement**

The Borrower shall supply to the Lender, promptly but within 5 Business Days upon becoming aware thereof, the details of any event or circumstance which constitutes an event of default or breach (howsoever described) under any other agreement which is binding on it or to which its assets are subject (and the steps, if any, being taken to remedy such event of default or breach).

11.6 **Corporate action**

The Borrower shall supply to the Lender, promptly but within 5 Business Days upon becoming aware thereof, the details of any corporate action event occurring in the Borrower (and before such corporate action event occurs).

11.7 **Shareholding event**

The Borrower shall supply to the Lender, promptly but within 5 Business Days upon becoming aware thereof, the details of any changes in the shareholding of the Borrower Parent that require announcement in terms of the AIM Rules by the Borrower Parent (other than where relating to changes in shareholdings in the Borrower Parent of the Lender Parent or any of its concert parties).

11.8 **No misleading information**

The Borrower shall ensure that all information generated and supplied by the Borrower to the Lender under or in connection with the Finance Documents is true, complete and accurate in all material respects as at the date it was given, and is not misleading in any respect.

11.9 **Further information**

The Borrower shall, promptly but within 5 Business Days of receipt of written request from the Lender, provide the Lender with such further information regarding the financial condition, business and operations of the Borrower as the Lender may reasonably request given its exposure to the Borrower in terms of the Finance Documents.

11.10 **Impairments**

The Borrower shall supply to the Lender, promptly but within 5 Business Days upon becoming aware thereof, the details of any fact or circumstance that the Borrower reasonably believes may impair the Borrower' ability to comply with all of its obligations in terms of the Finance Documents to which it is a party and the steps, if any, which the Borrower is taking to address such circumstances.

11.11 **Director changes**

The Borrower shall, promptly but within 5 Business Days upon becoming aware thereof, supply to the Lender the details of any changes to the board of directors of the Borrower and the Borrower Parent and any subsequent replacements occupying such and/or equivalent positions in the Borrower and the Borrower Parent .

11.12 **Licences**

11.12.1 The Borrower shall, immediately upon becoming aware thereof, supply to the Lender the details of:

11.12.1.1 any termination and/or lapsing of any Licences held by the Borrower and that are prescribed by law for the conduct of its business; and

11.12.1.2 the status of any application for renewal of the Mining Right.

11.13 **Security Documents**

The Borrower shall supply to the Lender, promptly upon becoming aware of them, the details of any material, relevant information regarding any assets which are subject to any of the Security Documents.

12 **GENERAL UNDERTAKINGS**

12.1 **Status**

The Borrower shall maintain its status as a limited liability company, duly incorporated and validly existing under the laws of South Africa, and shall otherwise maintain and preserve its corporate existence, accounting policies, procedures and records, in accordance with applicable laws.

12.2 **Authorisation**

12.3 Subject to what is disclosed in Clause 10.22.2, the Borrower shall promptly –

12.3.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and

12.3.2 supply certified copies to the Lender of,

12.3.3 any Authorisation required under any law or regulation to –

12.3.3.1 enable it to perform its obligations under the Finance Documents to which it is a party; and

12.3.3.2 ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document to which it is a Party.

12.4 The Borrower shall obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any law or regulation to carry on its business.

12.5 **Compliance with Laws**

Subject to what is disclosed in Clause 10.22.2, the Borrower shall comply in all material respects with all laws and regulations to which it may be subject, and obtain and comply with all permits and licenses and which laws, permits and licenses are material to the conduct of its business.

12.6 **Tax**

The Borrower shall duly and punctually pay and discharge all Taxes imposed upon it or its assets within the time period allowed, without incurring penalties, unless and only to the extent that such payment is being contested in good faith (and the Borrower shall provide the Lender with written details thereof), adequate reserves are being maintained for those Taxes in accordance with the Accounting Principles, such payment can be lawfully withheld and failure to pay those Taxes does not adversely affect the conduct of its business or its assets.

12.7 **Change of business**

The Borrower shall not make any change to the general nature of its business without the prior written consent of the Lender.

12.8 **Arm's length basis**

The Borrower shall not enter into any transaction with any person except on arm's length terms and for full market value.

12.9 **Joint ventures**

12.10 The Borrower shall not:

12.10.1 enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

12.10.2 transfer any assets or lend to or guarantee or give an indemnity for or grant any security interest for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).

12.11 **Merger**

The Borrower shall not enter into any amalgamation, demerger, merger, unbundling or corporate reconstruction without the prior written consent of the Lender which shall not be unreasonably withheld.

12.12 **Financial Indebtedness and Security**

12.12.1 Other than Permitted Indebtedness and Permitted Security, the Borrower shall not –

12.12.1.1 incur any other Financial Indebtedness;

12.12.1.2 create any Security Interest in favour of any person.

12.13 **Preservation of Assets**

The Borrower shall maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of its business.

12.14 **Pari Passu Ranking**

The Borrower shall ensure that at all times any unsecured and unsubordinated claims of the Lender against the Borrower under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

12.15 **Acquisitions**

12.15.1 The Borrower shall not –

12.15.1.1 acquire any business or undertaking;

12.15.1.2 acquire a company or any shares or securities in a company of business or undertaking (or, in each case, any interest in any of them); or

12.15.1.3 incorporate a company,

without the prior written approval of the Lender.

12.16 **Disposals**

The Borrower shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to Dispose of any asset, unless made in the ordinary course of trading of the Borrower.

12.17 **Loans**

Other than Permitted Loans, the Borrower shall not make any loans to any person.

12.18 **Guarantees**

Other than Permitted Guarantees, the Borrower shall not provide any guarantees, indemnities or the like to any person, whether for its own obligations or the obligations of another person.

12.19 **Distributions**

Other than Permitted Distributions, the Borrower shall not make any Distributions.

12.20 **Insurance**

The Borrower shall maintain insurances with reputable independent insurance companies or underwriters on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

12.21 **Licences**

12.21.1 The Borrower shall obtain, preserve and maintain (including by timeously obtaining any renewals thereof, if applicable) and comply with all such Licences as are prescribed by law for the conduct of its business.

12.21.2 The Borrower will use its reasonable commercial endeavours to receive the renewal of its Mining Right by no later than 30 June 2023, or such later date that the Lender may agree in writing.

12.22 **Auditor**

The Borrower shall not replace its Auditor without the prior written consent of the Lender.

12.23 **Preservation of Security**

The Borrower shall take all steps required or desirable to maintain and preserve (1) all of the Security in accordance with the Security Documents, and (2) and all security arrangements contemplated thereunder.

12.24 **Financial Assistance**

The Borrower shall comply in all respects with section 44, section 45 and section 46 of the Companies Act (to the extent applicable) including in relation to the payment of amounts due under the Finance Documents to which it is a party.

12.25 **Compliance with laws**

The Borrower shall comply in all respects with all laws to which it may be subject.

12.26 **Environmental compliance**

12.26.1 The Borrower shall:

12.26.1.1 comply with all Environmental Law;

12.26.1.2 obtain, maintain and ensure compliance with all requisite Environmental Permits;

12.26.1.3 implement and maintain procedures to monitor compliance with and to prevent liability under any Environmental Law.

12.27 **Environmental claims**

12.27.1 The Borrower, promptly upon becoming aware of the same, inform the Lender in writing of:

- 12.27.1.1 any Environmental Claim against it which is current, pending or threatened; and
- 12.27.1.2 any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against it.

12.28 **Anti-corruption law and sanctions**

- 12.28.1 The Borrower shall:
 - 12.28.1.1 contravene any Sanctions;
 - 12.28.1.2 be a party to or participate in a Sanctioned Transaction in any manner; or
 - 12.28.1.3 directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.
- 12.28.2 The Borrower shall:
 - 12.28.2.1 take all reasonable steps to ensure that appropriate controls and safeguards are in place, designed to prevent it from being or becoming involved in a Sanctioned Transaction; and
 - 12.28.2.2 conduct its businesses in compliance with applicable anti-corruption laws and maintain policies and procedures designed to promote and achieve compliance with such laws.

12.29 **Share Capital**

- 12.29.1 The Borrower shall not –
 - 12.29.1.1 redeem, purchase, defease, retire or repay any of its shares or share capital (or any instrument convertible into shares or share capital) or resolve to do so;
 - 12.29.1.2 issue any shares (or any instrument convertible into shares) which by their terms are redeemable or carry any right to a return prior to the date on which all amounts owing under the Finance Documents have been irrevocably and unconditionally discharged in full; or
 - 12.29.1.3 issue any shares or share capital (or any instrument convertible into shares or share capital) to any person other than its holding company,

without the prior written consent of the Lender.

12.30 **Access**

The Borrower shall permit the Lender and/or accountants or other professional advisers and contractors of the Lender free access at all reasonable times and on reasonable notice at the risk and cost of the Borrower to (a) the premises, assets, books, accounts and records of the Borrower and (b) meet and discuss matters with the senior management of the Borrower.

12.31 **Business Rescue**

Except to the extent required under the Companies Act, the Borrower shall not adopt a resolution for the implementation of any business rescue proceedings in relation to it, without the prior written consent of the Lender.

12.32 **Further Assurance**

12.32.1 The Borrower shall as soon as reasonably possible do all such acts or execute all such documents (including cessions, assignments, transfers, mortgages, charges, notices and instructions) as the Lender may specify (and in such form as the Lender may require in favour of the Lender or its nominee(s)) for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents to which it is a party or by law.

12.32.2 The Borrower shall take all such reasonable steps as are available to them (including making all filings and registrations) and as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security.

12.33 **Memorandum of incorporation**

The Borrower shall procure that no change is made to its Memorandum of Incorporation, without the prior written consent of the Lender.

12.34 **Other Existing Financial Indebtedness**

The Borrower shall not, and the Borrower shall procure that the Borrower Parent shall not amend, vary or novate any one of the Other Existing Financial Indebtedness without the Lender's prior written consent.

13 **SECURITY**

The obligations of the Borrower to the Lender in terms of this Agreement are secured by the arrangements provided for in the Security Documents, which are to remain in place until the Discharge Date.

14 **EVENTS OF DEFAULT**

14.1 **Non-payment**

Any Obligor does not pay on the due date any amount due and payable pursuant to the Finance Document unless its failure to pay is caused by an administrative or technical error and payment is made within 3 Business Days of its due date.

14.2 **Other obligations**

An Obligor does not comply with any undertaking and/or any other provision of the Finance Documents (other than those referred to in Clause 14.1), except if that non-compliance is capable

of remedy and is remedied within 5 Business Days of the earlier of the Lender giving notice to the Obligor or the Obligor becoming aware of the failure to comply.

14.3 **Misrepresentation**

Any representation or statement made by an Obligor in the Finance Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

14.4 **Cross default**

14.4.1 Any Financial Indebtedness of an Obligor is not paid when due nor within any originally applicable grace period.

14.4.2 Any Financial Indebtedness of an Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

14.4.3 Any commitment for any Financial Indebtedness of an Obligor is cancelled or suspended by a creditor of such Obligor as a result of an event of default (howsoever described).

14.4.4 Any creditor of an Obligor becomes entitled to declare any Financial Indebtedness of such Obligor due and payable prior to its specified maturity as a result of an event of default (however described).

14.4.5 The Borrower or the Borrower Parent breaches any provision of the Kareevlei Governance Agreement and such breach is not remedied within the originally applicable grace period.

14.4.6 The Borrower Parent breaches any provision of the Subscription Agreement, Relationship Agreement (as defined in the Subscription Agreement), the SLNI, Existing CLNI and/or the New CLNI and such breach is not remedied within the originally applicable grace period.

14.5 **Insolvency and financial distress**

14.5.1 An Obligor is or is deemed by any authority or legislation to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

14.5.2 An Obligor is or is deemed by any authority or legislation to be financially distressed (as defined in the Companies Act).

14.5.3 The value of the assets of an Obligor is less than its liabilities (taking into account contingent and prospective liabilities).

14.5.4 A moratorium is declared in respect of any indebtedness of an Obligor.

14.5.5 Any corporate action, legal proceedings or other procedure or step is taken in relation to –

- 14.5.5.1 the suspension of payments or a moratorium of any indebtedness, liquidation, winding-up, dissolution, administration, business rescue or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of an Obligor;
- 14.5.5.2 a composition, compromise, assignment or arrangement with any creditor of an Obligor;
- 14.5.5.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, judicial manager, business rescue practitioner or other similar officer in respect of an Obligor or any of its assets; or
- 14.5.5.4 enforcement of any Security Interest over any assets of an Obligor,
- 14.5.5.5 or any analogous procedure or step is taken in any jurisdiction;
- 14.5.6 A meeting is proposed or convened by the directors of an Obligor, a resolution is proposed or passed, application is made or an order is applied for or granted, to authorise the entry into or implementation of any business rescue proceedings (or any similar proceedings) in respect of an Obligor or any analogous procedure or step is taken in any jurisdiction.
- 14.5.7 Any expropriation, attachment, sequestration, implementation of any business rescue plan, distress or execution or any analogous process in any jurisdiction affects assets, and is contested in good faith and with due diligence and is not discharged either within 15 Business Days or within such other period as the Lender may agree in writing on or before the lapse of such 15 Business Day period.

14.6 **Final Judgment**

- 14.6.1 An Obligor fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court or competent jurisdiction.
- 14.6.2 No Event of Default under Clause 14.6.1 will occur if the failure to comply or pay is capable of remedy and is remedied within 5 Business Days of the date of the failure to comply or pay.
- 14.6.3 For the purposes of Clause 14.6.1, a “final judgment” or “final order” means a judgment or order (1) which is not appealable, or (2) which is appealable but in respect of which the period for the lodging of an appeal has lapsed and an Obligor has failed to institute appeal proceedings, or (3) which is not capable of rescission, or (4) which is capable of rescission but in respect of which the period for applying for rescission has lapsed and an Obligor has failed to apply for rescission or an Obligor has applied for rescission of such judgment or order and the application for rescission has been denied.

14.7 **Unlawfulness**

- 14.7.1 It is or becomes unlawful for an Obligor to perform any of its obligations under any Finance Documents.
- 14.7.2 Any obligation or obligations of an Obligor under any Finance Documents to which it is a party are not or cease to be legal, valid, binding or enforceable and the same is not remedied within

5 Business Days of the earlier of (a) the Lender giving notice to such Obligor and (b) an Obligor becoming aware of the failure to comply and such remedy places the Lender in the same position as they would have been in but for such circumstances.

14.7.3 Any Finance Document ceases to be in full force and effect other than by agreement between the Parties.

14.8 **Expropriation**

14.8.1 The authority or ability of an Obligor to conduct its business is wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person.

14.8.2 By the authority of any governmental, regulatory or other authority or other person –

14.8.2.1 the management of an Obligor is wholly or substantially replaced; or

14.8.2.2 all or a majority of the shares of an Obligor or the whole or any part of its assets or revenues is seized, expropriated or compulsorily acquired.

14.9 **Cessation of business**

An Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

14.10 **Audit qualification**

The Auditor qualifies the audited annual financial statements of an Obligor in any way.

14.11 **Repudiation**

14.11.1 An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document to which it is a party.

14.11.2 Any party to any Finance Documents (other than the Lender) rescinds or purports to rescind or repudiates or purports to repudiate any of those agreements or instruments in whole or in part.

14.12 **Material Adverse Event**

Any fact, circumstance, happening or event (or a combination thereof) occurs which constitutes a Material Adverse Event.

14.13 **Authorisation**

Subject to what is disclosed in Clause 10.22.2, any Licence or other Authorisation required by an Obligor for the conduct of its business is revoked, lapses or otherwise ceases to be valid and effective and such Obligor fails to remedy the position within 5 Business Days of receiving notice from the Lender to do so or becoming aware thereof.

14.14 **Litigation**

Any litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency are commenced against an Obligor which, if adversely determined, might, in the opinion of Lender, constitute a Material Adverse Event.

14.15 **Conditions Subsequent**

Any Condition Subsequent is not duly and timeously fulfilled and/or waived by the Lender, except if that non-fulfilment is capable of remedy and is remedied within 10 business days of the earlier of the Lender giving notice to the Obligor or the Obligor becoming aware of the failure to comply.

14.16 **Lender's rights on the occurrence of an Event of Default**

14.16.1 On and at any time after the occurrence of an Event of Default, the Lender shall be entitled, in its sole discretion and without prejudice to any other rights or remedies which the Lender may have under this Agreement, any other Finance Document or otherwise in terms of any applicable law, by written notice to the Borrower to –

14.16.1.1 declare that all or part of the Outstandings be immediately due and payable, whereupon they shall become immediately due and payable; and/or

14.16.1.2 declare that all or part of the Outstandings be payable on demand, whereupon it shall immediately become payable on demand by the Lender;

14.16.1.3 demand and be entitled to receive specific performance of the relevant obligation of the Finance Documents (if any) breached by the Borrower or any other Obligor (as applicable); and/or

14.16.1.4 cancel the whole or part of the Facility; and/or

14.16.1.5 exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

15 **TAXES**

15.1 Any payment whatsoever to be made by the Borrower to the Lender under this Agreement shall be made free and clear of and without deduction for or on account of any Tax whatsoever, unless the Borrower is, under applicable law, required to make such payment subject to the deduction or withholding of Tax, in which case the amount payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Lender receives and retains (free from any liability in respect of any such deduction or withholding) a net amount equal to the amount which they would have received and so retained had no such deduction or withholding been required to be made.

15.2 If at any time the Borrower is required under any applicable law to make any deduction or withholding as contemplated in Clause 15.1 (or if thereafter there is any change in the rates at

which or the manner in which such deductions or withholdings are calculated), then the Borrower shall promptly notify the Lender.

- 15.3 If the Borrower makes any payment under this Agreement in respect of which it is required to make any deduction or withholding, it shall pay the full amount required to be deducted or withheld to the relevant Taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Lender, within 30 days after it has made such payment to the applicable authority, an original receipt (or a certified copy) issued by such authority evidencing the payment to such authority of all amounts so required to be deducted or withheld.
- 15.4 Notwithstanding anything to the contrary contained herein, the provisions of this Clause 15 shall not apply in respect of any deductions which the Borrower becomes obliged to make from any amounts payable by it to the Lender as a result of the fact that the Commissioner: South African Revenue Services has declared the Borrower to be the Lender's agent in terms of section 179 of the Tax Administration Act (No 28 of 2011), provided that the Borrower shall, to the extent permitted in law, notify the Lender of such declaration.
- 15.5 If (1) the Borrower becomes obliged to pay any additional amounts to the Lender in terms of this Clause 15, and (2) the Lender receives and utilises a credit (against Taxes payable by it) or receives a refund of any Taxes in respect of the corresponding amount paid, as envisaged in Clause 15.3, by the Borrower to the relevant Taxation authority, the Lender shall repay the amount of such payment (up to, but not exceeding, the credit utilised and/or refund received, as the case may be) to the Borrower within 5 Business Days of the date on which the Lender utilises the applicable credit or the Lender receives payment of the refund from such taxation authority.

16 OTHER INDEMNITIES

- 16.1 The Borrower hereby indemnifies the Lender against, and shall pay to the Lender on written demand, any cost, loss or liability incurred by the Lender as a result of –
- 16.1.1 the occurrence of any Default;
- 16.1.2 any information produced or approved by the Borrower under or in connection with the Finance Documents being misleading and/or deceptive in any material respect;
- 16.1.3 a failure by the Borrower to pay any amount due under a Finance Document on its due date;
- 16.1.4 the Outstandings (or any part thereof) not being paid in accordance with the terms of this Agreement;
- 16.1.5 investigating or taking any other action in connection with any event which it reasonably believes is a Default; or
- 16.1.6 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

16.2 The Borrower's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document or the Facility.

17 MINING SERVICES AGREEMENT

17.1 Notwithstanding anything else in this Agreement, the Borrower shall not be in breach of any provision of this Agreement (including any warranty, representation or undertaking) where such breach is materially attributable to an act or omission of the Lender (or its permitted successor in title) under the Mining Services Agreement.

18 CERTIFICATE OF INDEBTEDNESS

18.1 A certificate signed by any director or manager (whose appointment, authority or qualification need not be proved) for the time being of the Lender shall be –

18.1.1 *prima facie* proof of the quantum of any amount payable by the Borrower to the Lender in terms of this Agreement; and

18.1.2 valid, together herewith, for any purpose and as a liquid document (alternatively as proof of a liquidated amount) in any court of competent jurisdiction for the purpose of obtaining provisional sentence, summary judgment or any other judgment against the Borrower,

and the Borrower acknowledges its indebtedness in respect of any amount so certified.

19 RENUNCIATION OF BENEFITS

The Borrower hereby renounces the benefits of the exceptions of no no cause of debt (*non causa debiti*), no value received (*non numeratae pecuniae*), simultaneous citation and division of debt (*de duobus vel pluribus reis debendi*), error in calculation (*errore calculi*) and revision of accounts, insofar as they or any of them may be applicable, and all other legal benefits and exceptions (to the extent applicable) with the full force, meaning and effect whereof the Borrower declares itself to be acquainted.

20 SUPPORT

The Borrower undertakes to the Lender that it shall forthwith on receipt of written request by the Lender do all such things, perform all such actions and take all such steps and procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to it and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and/or import of this Agreement as the Lender may reasonably request

21 CONFIDENTIALITY

No Party will disclose this Agreement or any part thereof, or any of the provisions of this Agreement, or any information exchanged between the Parties pursuant to this Agreement, to any third party without obtaining the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed), unless it is required to do so by law or by any regulatory body in which case the Parties will consult with each other (including as to the terms of any such announcement), if in law

entitled to do so, before complying with such requirement. This does not apply to the disclosure of this Agreement to any party to a Finance Document which is not a Party to this Agreement and so requires a copy of this Agreement for purposes of the definitions section of that Finance Document, or to the disclosure of any such confidential information to the shareholders of Parties, or to a director, officer, trustee, employee, adviser or representative of the Parties whose function requires them to have the confidential information provided that all such persons shall be instructed to treat the same as confidential, or to confidential information which becomes publicly known, or publicly accessible or in the public domain. The provisions of this clause 21 shall survive the failure or termination of this Agreement for whatever reason

22 TRANSFERS

- 22.1 The Lender shall be entitled to Transfer the whole or any portion of its rights and/or obligations in terms of this Agreement to any person without the prior written consent of the Borrower, provided that any such transferee is not a Sanctioned Entity.
- 22.2 The Borrower hereby consents to any splitting of claims against it which may arise out of a partial Transfer by the Lender of its rights and obligations (or relevant portion thereof).
- 22.3 The Borrower shall not cede and/or delegate any of its rights and/or obligations under this Agreement.

23 NOTICES

- 23.1 The Parties select as their respective *domicilia citandi et executandi* the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Agreement, the said physical addresses as well as the following email addresses –
- 23.1.1 the Lender:
- 23.1.1.1 Address: 1 Flamboyant Close, Glen Anil, Kwa-Zulu Natal, 4051
- 23.1.1.2 Email: claudeh@teichmanngrp.com; and james.teriele@teichmanngrp.com
- 23.1.1.3 For Attention: The Directors;
- 23.1.2 the Borrower:
- 23.1.2.1 Address: Building 6 De Beers Geology Complex, Hull Street R64, Kimberley
Northern Cape, 8301
- 23.1.2.2 Email: dfacey@bluerockdiamonds.co.uk
- 23.1.2.3 For Attention: Managing Director/CEO
- 23.2 A Party may change its *domicilium* to another physical address (provided that such physical address is not a post office box or *poste restante*), or may change its address for the purposes of notices to any other physical address or email address by written notice to the other Parties to

that effect. Such change of address will be effective 5 Business Days after receipt of the notice of the change.

- 23.3 All notices to be given in terms of this Agreement will be given in writing and will –
- 23.3.1 be delivered by hand or sent by email;
- 23.3.2 if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a Business Day will be presumed to have been received on the following Business Day; and
- 23.3.3 if sent by email during business hours, be presumed to have been received on the date of successful transmission of the email. Any email sent after business hours or on a day which is not a Business Day will be presumed to have been received on the following Business Day.
- 23.4 Notwithstanding the above, any notice given in writing, and actually received by the Party to whom the notice is addressed, will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this Clause 23.
- 23.5 The Parties record that whilst they may correspond via email during the currency of this Agreement for operational reasons, no formal notice, legal processes nor any amendment or variation to this Agreement may be given or concluded via email.

24 **INDEPENDENT ADVICE**

- 24.1 The Borrower hereby acknowledges and agrees that –
- 24.1.1 it has been free to secure independent legal and other professional advice (including financial and taxation advice) as to the nature and effect of all of the provisions of this Agreement and that it has either taken such independent advice or has dispensed with the necessity of doing so;
- 24.1.2 all of the provisions of this Agreement and the restrictions herein contained are fair and reasonable in all the circumstances and are in accordance with the Party's intentions; and
- 24.1.3 it has not relied in any way upon any information and/or advice given by the Lender and/or its legal advisors in the preparation, negotiation and/or implementation of this Agreement and has taken all reasonable actions to satisfy itself as to the consequences of entering into this Agreement.

25 **APPLICABLE LAW AND JURISDICTION**

- 25.1 This Agreement will in all respects be governed by and construed under the laws of the Republic of South Africa.
- 25.2 The Parties irrevocably and unconditionally consent to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg, South Africa (or any successor to that division) in regard to all matters arising from this Agreement or any other Finance Document

(including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (a Dispute).

25.3 The Parties agree that the courts of South Africa are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

25.4 This clause is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

26 COSTS AND EXPENSES

26.1 Commitment fee

26.1.1 The Borrower shall pay to the Lender a fee computed at the rate of 1.00% of the Facility for the Availability Period (Commitment Fee).

26.1.2 The accrued Commitment Fee shall be payable:

26.1.2.1 on the last day of each successive period of three Months which ends during the Availability Period;

26.1.2.2 on the last day of the Availability Period; and

26.1.2.3 on the cancelled amount of a Lender's Facility commitment, at the time the cancellation is effective.

26.2 Transaction Expenses

26.2.1 The Borrower shall pay to the Lender, the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the negotiation, preparation, and execution of –

26.2.1.1 this Agreement and any other documents referred to in this Agreement and the Security created pursuant to the Security Documents; and

26.2.1.2 any other Finance Documents executed after the Signature Date,

26.2.2 by way of the draw down contemplated under clause 5.1.1.2.

26.3 Amendment Costs

26.3.1 If the Borrower requests an amendment, waiver or consent the Borrower shall, within 3 Business Days (or such later date as the Lender may agree in writing) of demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) incurred by the Lender in responding to, evaluating, negotiating or complying with that request or requirement.

26.3.2 If there is any change in law or any regulation which requires an amendment, waiver or consent under any Finance Document, the Borrower shall, within 3 Business Days (or such later date

as the Lender may agree in writing) of demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with valuating, negotiating or complying with any such requirement.

26.4 **Enforcement Costs**

The Borrower shall on demand, pay to the Lender the amount of all costs and expenses (including legal fees on the scale as between attorney and own client whether incurred before or after judgment) incurred by the Lender in connection with the enforcement of, or preservation of any rights under any Finance Document at any time and any proceedings instituted by or against the Lender as a consequence enforcing these rights.

27 **GENERAL**

27.1 **Whole agreement, no amendment**

27.1.1 This Agreement constitutes the whole agreement between the Parties relating to the subject matter hereof.

27.1.2 No –

27.1.2.1 amendment or consensual cancellation of this Agreement or any provision or term hereof or of any agreement, bill of exchange or other document issued or executed pursuant to or in terms of this Agreement; or

27.1.2.2 settlement of any disputes arising under this Agreement; or

27.1.2.3 extension of time, waiver or relaxation or suspension of or agreement not to enforce or to suspend or postpone the enforcement of any of the provisions or terms of this Agreement or of any agreement, bill of exchange or other document issued pursuant to or in terms of this Agreement;

27.1.2.4 shall be binding unless recorded in a document signed by the Parties (or in the case of an extension of time, waiver, relaxation or suspension, a document signed by the Party granting such extension, waiver, relaxation or suspension). For the purposes of this Clause 27.1, "signed" shall include an electronic signature, as defined in the Electronic Communications and Transactions Act (No 25 of 2002), applied to the document by the signatory.

27.1.3 No extension of time or waiver or relaxation of any of the provisions or terms of this Agreement or any agreement, bill of exchange or other document issued or executed pursuant to or in terms of this Agreement shall operate as an estoppel against a Party in respect of its rights under this Agreement, nor shall it operate so as to preclude such Party (save as to any extension, waiver or relaxation actually given) thereafter from exercising its rights strictly in accordance with this Agreement.

27.1.4 To the extent permissible by law a Party shall not be bound by any express or implied or tacit term, representation, warranty, promise or the like not recorded in this Agreement, whether it induced the Agreement and/or whether it was negligent or not.

27.2 **Supersession**

This Agreement cancels and supersedes all prior discussions, agreements and/or understandings regarding the subject matter hereof.

27.3 **Severability**

Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction shall, with respect to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated *pro non scripto* and severed from the balance of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

27.4 **Continuing Effectiveness of Certain Provisions**

The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the Clauses themselves do not expressly provide for this.

28 **SIGNATURE**

28.1 This Agreement –

28.1.1 may be executed in separate counterparts, none of which need contain the signatures of all of the Parties, each of which shall be deemed to be an original and all of which taken together constitute one agreement; and

28.1.2 shall be valid and binding upon the Parties thereto, notwithstanding that one or more of the Parties may sign an email copy thereof and whether or not such email copy contains the signature of any other Party.

[Remainder of this page intentionally blank. Signature pages follow thereafter.]

**TEICHMANN SOUTH AFRICA PROPRIETARY
LIMITED**

Signature:

Name:

(who warrants his/her authority)

Designation:

Date:

KAREEVLEI MINING PROPRIETARY LIMITED

Signature:

Name:

(who warrants his/her authority)

Designation:

Date:

Annexure “A”

1 ADVANCE CONDITIONS

- 1.1 The Borrower has delivered to the Lender copies of resolutions by the board of directors of the Borrower resolving that the Borrower concludes each Finance Document to which it is a party, approving the terms and conditions of the Finance Documents and appointing a named person to execute such Finance Documents on behalf of the Borrower.
- 1.2 The Borrower has delivered to the Lender copies of resolutions by the board of directors or shareholders of the Borrower, as the case may be, authorising Gary Teichmann to be a director to the board of directors of the Borrower.
- 1.3 The Borrower has delivered to the Lender –
 - 1.3.1 a copy of the constitutional documents of the Borrower; and
 - 1.3.2 a copy of the constitutional documents of the Borrower Parent.
- 1.4 The Borrower has delivered to the Lender –
 - 1.4.1 duly executed originals of :
 - 1.4.1.1 this Agreement;
 - 1.4.1.2 the Cession in Security;
 - 1.4.1.3 the Subordination Agreement;
 - 1.4.1.4 the Kareevlei Governance Agreement;
 - 1.4.1.5 the Subscription Agreement;
 - 1.4.1.6 the Relationship Agreement;
 - 1.4.1.7 the SLNI;
 - 1.4.1.8 the New CLNI; and
 - 1.4.1.9 all documents required to be delivered under and in terms of each Security Document on or prior to the Effective Date having been duly delivered to the Lender, other than the General Notarial Bond, the Special Notarial Bond.
- 1.5 The subscription of the SLNs has become unconditional, save for any conditionality relating to this Agreement becoming unconditional.
- 1.6 The Lender has received from the Borrower, the Initial Paydown.

SCHEDULE 10**DISCLOSURES**

Warranty number	Disclosure
7	The Licences have expired and are in the process of being renewed. Please see attached note from the Company together with its two enclosures.
8	Amounts payable to CB Visser and his related companies are under dispute. CB Visser is a former director and CEO of both Kareevlei Mining (Pty) Ltd and BlueRock Diamonds Plc who resigned during September 2016. The total claim submitted by him amounts to £222,164 of which £170,598 has been accounted for under trade and other payables. The Group has given security for the amount of £206,418 in respect of the above claim. This security is held in trust by the Group's lawyers. The Group's legal advisors are of the opinion that based on current available information, the claims are without merit.
15	See disclosure against warranty 7 above.
16	Please see attached EMP performance assessment review.