

EXECUTION VERSION

CO-OPERATION AGREEMENT

between

DIAMOND FIELDS RESOURCES INC

and

KIMBERLEY OVERSEAS LTD

and

ACTION MINING LTD

and

COMPAGNIE GÉNÉRALE DES MINES DE MADAGASCAR

and

TMH ACQUISITION CO LTD

DATE: 16 MAY 2019

EXECUTION VERSION

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1 INTERPRETATION

In this Agreement, clause headings are for convenience only and shall not be used in its interpretation and, unless the context clearly indicates a contrary intention -

1.1 a word or an expression which denotes -

1.1.1 any gender includes the other genders;

1.1.2 a natural person includes an artificial or juristic person and vice versa;
and

1.1.3 the singular includes the plural and vice versa;

- 1.2 the following words and expressions shall bear the meanings assigned to them below and cognate words and expressions bear corresponding meanings –
- 1.2.1 "Addressee" - the meaning given in 11.2;
- 1.2.2 "Advance Expiry Date" - the meaning given in 6;
- 1.2.3 "Advance Payment" – the meaning given in the Royalty Deed;
- 1.2.4 "Affiliate" – in respect of any entity ("Subject Entity"), any other person, corporate entity, partnership, joint venture, trust or other entity that, directly or indirectly, controls, is controlled by or is under common control with the Subject Entity;
- 1.2.5 "Agreement" - this agreement together with all its annexures, as amended from time to time;
- 1.2.6 
COMMERCIALLY SENSITIVE INFORMATION
- 1.2.7 "AML" – Action Mining Ltd (registration number 085041 C2/GBL), a company incorporated in Mauritius;
- 1.2.8 "Applicable Anti-Corruption Laws" - the meaning given in 8.1.15.1;
- 1.2.9 "Beravina Project" – the exploration for minerals, metals and/or other substances on the Mining Licence and, if the Option is exercised, the development of a mining operation on the Mining Licence;
- 1.2.10 "Business Day" - any day other than a Saturday, a Sunday or official public holiday in South Africa, Canada, the United States of America, the Cayman Islands or Madagascar;
- 1.2.11 "CGMM" - Compagnie Générale Des Mines De Madagascar (registration number 2000B00444), a company incorporated in Madagascar;
- 1.2.12 "CGMM Restricted Period" - the meaning given in 7.2;

- 1.2.13 "Confidential Information" - the meaning given in 10.1.1;
- 1.2.14 "Confidential Records" - the meaning given in 10.1.2;
- 1.2.15 "Development Expense Payments" - the meaning given in 3.3;
- 1.2.16 "DFR" – Diamond Field Resources Inc (registration number 86832 6794 RC0001), a company incorporated in British Columbia, Canada, whose shares are listed on the TSX Venture Exchange;
- 1.2.17 "DFR Bank Account" – the bank account of DFR, the details of which are set forth in Annexure D;
- 1.2.18 "DFR Beravina Group" – collectively, DFR, Kimberley, AML and CGMM;
- 1.2.19 "Disclosing Party" - the meaning given in 10.2;
- 1.2.20 "Feasibility Materials" – all the financial, technical, business, legal and regulatory pre-feasibility and feasibility work, assessments, reports and other studies conducted by Pangea (or any Affiliate thereof) or by third party consultants (including market studies and testing reports) from time to time by, or at the request of, Pangea or any Affiliate thereof, in relation to the Beravina Project and/or the Mining Licence;
- 1.2.21 "Feasibility Period" – the meaning given in 3.6;
- 1.2.22 "Feasibility Programme" – the feasibility work commenced by the DFR Beravina Group prior to the Signature Date, and to be progressed by Pangea on the Mining Licence following the Signature Date, the scope, nature and extent of which will be determined by Pangea and which study is to be conducted and financed by Pangea as more fully set out in 3;
- 1.2.23 "Fundamental Warranties" - the warranties in 8.1.1, 8.1.2, 8.1.3, 8.1.4, 8.1.6, 8.1.17 and 8.1.18;
- 1.2.24 "Governmental Authority" - any domestic or foreign (i) national, regional, local or other government, (ii) governmental or quasi-

governmental authority of any nature, including any governmental ministry, agency, branch, department, court, commission, board, tribunal, stock exchange, regulatory agency or self-regulatory organization, bureau or instrumentality, or (iii) body exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature, including the mining authorities in Madagascar;

- 1.2.25 "Grantor" - the meaning given in 16.3;
- 1.2.26 "Kimberley" – Kimberley Overseas Ltd (incorporation number CR133449), a company incorporated in the Cayman Islands;
- 1.2.27 "LCIA Rules" - the rules of the London Court of International Arbitration;
- 1.2.28 "Mining Code" - law n° 99-022 dated 19 August 1999, as amended by law n° 2005-021 dated 17 October 2005;
- 1.2.29 "Mining Licence" - the Mining Licence attached as Annexure A;
- 1.2.30 "New Property Security" - the meaning given in 7.2;
- 1.2.31 "New Security" - either or both of New Property Security and New Share Security, as the case may be;
- 1.2.32 "New Share Security" - the meaning given in 7.1.2;
- 1.2.33 "Option" – the option granted by Kimberley and DFR to Pangea in terms of 4;
- 1.2.34 "Option Date" – the date on which Pangea delivers the Option Exercise Notice to the DFR Beravina Group in terms of 4.1.2;
- 1.2.35 "Option Exercise Notice" - the written notice from Pangea to the DFR Beravina Group in terms of 4.1.2;

- 1.2.36 "Option Interest" – all of –
- 1.2.36.1 the shares in AML held by Kimberley; and
- 1.2.36.2 the loans, advances and other claims against AML and CGMM held by DFR or Kimberley,
- as at the Option Date;
- 1.2.37 "Option Price" – the price payable by Pangea for the Option Interest pursuant to the exercise of the Option, which price is set out in 4.2.1;
- 1.2.38 "Original Period" - the meaning given in 3.6;
- 1.2.39 "Pangea" – TMH Acquisition Co Ltd, incorporated in the Cayman Islands;
- 1.2.40 "Pangea Restricted Period" - the meaning given in 7.1;
- 1.2.41 "Parties" - collectively, each member of the DFR Beravina Group and Pangea, and "Party" will mean any of them, as the context may require;
- 1.2.42 "Project Development Date" – the meaning given in the Royalty Deed;
- 1.2.43 "Property Transfer" - the meaning given in 7.2;
- 1.2.44 "Qualifying Party" - any person that –
- 1.2.44.1 has not been found guilty of any anti-bribery, anti-corruption or anti-money laundering laws, rules, regulations, decrees and/or official governmental orders of France, the United States or any other jurisdiction in Europe, North America or Australia, including the UK Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977, as well as any other legislation implementing either the United Nations Convention Against Corruption or the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;

- 1.2.44.2 has not been found guilty of any crime akin to a breach of any of the principles of the International Bill of Human Rights;
- 1.2.44.3 has a valuation, together with its Affiliates, of not less than US\$ [REDACTED], when measured by reference to –
COMMERCIALY SENSITIVE INFORMATION
- 1.2.44.3.1 the market capitalisation of it and its Affiliates at the date of the proposed sale or transfer referred to in 7.1, where any of its or its Affiliates securities are listed on a public stock market in Europe, North America or Australia; or, otherwise;
- 1.2.44.3.2 its and its Affiliates' net assets, as shown in their last completed set of audited financial statements;
- 1.2.45 "Reference Accounts" - the management accounts as at 31 March 2019 of each of AML and CGMM, attached as Annexure G;
- 1.2.46 "Regulatory Authority" – any competent court or regulatory or other authority, or any local, provincial or national governmental authority, body or department or any inter-governmental or supra-national organisation or any self-regulatory authority, body or organisation;
- 1.2.47 "Restricted Period" - either or both of the CGMM Restricted Period and the Pangea Restricted Period, as the case may be;
- 1.2.48 "Royalty" - the meaning given in the Royalty Deed;
- 1.2.49 "Royalty Deed" – the royalty deed to be executed by Kimberley (as royalty holder) and CGMM (as payor) following the Option Date, in the form attached as Annexure B;
- 1.2.50 "Sale Date" - the meaning given in 4.3.1;
- 1.2.51 "Security" - any registration or stamp on title on the Mining License at the Bureau du Cadastre Minier de Madagascar, mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest over the Mining License securing

the obligations of CGMM to Kimberley under the Royalty Deed (or other arrangement having a similar effect);

1.2.52 "SEDAR" - the System for Electronic Document Analysis and Retrieval at www.sedar.com;

1.2.53 "Share Transfer" - the meaning given in 7.1.1;

1.2.54 "Signature Date" – the date stated on the front page of this Agreement;

1.2.55 "Subsidiary" – in respect of any entity, any other person, corporate entity, partnership, joint venture, trust or other entity that, directly or indirectly, is controlled by such entity;

1.2.56 "Tax" - (i) any applicable national, foreign, federal, provincial, territorial, state or local income, goods and services, harmonized sales, value added, corporation, land transfer, registration, stamp licence, payroll, excise, sales, use, capital, mineral, mining, property, royalty, withholding, employment, social security, environmental, customs duties, stamp, registration, alternative and add-on minimum tax payable to any Governmental Authority or other tax, levy, duty (including customs duties), fee, assessment or reassessment, including any interest, fines and penalty (including any interest with respect to such fines and penalties) and other related charges or other addition to or on any of the foregoing, whether disputed or not, imposed, collected or assessed by or under the authority of a Governmental Authority, and (ii) any liability in respect of any item described in (i) above payable by reason of contract, assumption, transferee or successor liability, joint and several liability, operation of law or otherwise;

1.2.57 "Technical File" - the documents included in the technical file made available to Pangea online through the <https://www.theinforoom.com/index.php/login> website, comprising technical reports and other information in respect of the Beravina Project in the possession of the DFR Beravina Group, a full copy of which has been recreated on two identical CD-ROMs, initialled for identification purposes by or on behalf of the Parties and delivered with this Agreement;

- 1.2.58 "Transfer" - the meaning given in 7.3.1;
- 1.2.59 "Transferee" - the meaning given in 7.3.1.1;
- 1.2.60 "Upfront Fee" - the meaning given in 3.1;
- 1.3 any reference to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation as at the Signature Date, and as amended or substituted from time to time;
- 1.4 if any provision in a definition is a substantive provision conferring a right or imposing an obligation on any Party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of this Agreement;
- 1.5 where any term is defined within a particular clause other than this 1, that term shall bear the meaning ascribed to it in that clause wherever it is used in this Agreement;
- 1.6 where any number of days is to be calculated from a particular day, such number shall be calculated as excluding such particular day and commencing on the next day. If the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the next succeeding day which is a Business Day;
- 1.7 any reference to days (other than a reference to Business Days), months or years shall be a reference to calendar days, calendar months or calendar years respectively;
- 1.8 any term which refers to an English legal concept or process shall be deemed to include a reference to the equivalent or analogous concept or process in any other jurisdiction in which this Agreement may apply or to the laws of which a Party may be or become subject;
- 1.9 the termination of this Agreement shall not affect those provisions of this Agreement that expressly provide that they will operate after any such

termination or which must necessarily continue to have effect after such termination, notwithstanding that the clauses themselves do not expressly provide for this; and

- 1.10 the use of the word "including", "includes" or "include" followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the eiusdem generis rule shall not be applied in the interpretation of such general wording or such specific example/s.

The terms of this Agreement having been negotiated, the rule of interpretation which prescribes that, in the event of ambiguity, a contract should be interpreted against the party responsible for its drafting, shall not be applied in the interpretation of this Agreement.

2 INTRODUCTION

- 2.1 CGMM is the holder of the Mining Licence.
- 2.2 CGMM is a wholly-owned Subsidiary of AML, which in turn is a wholly-owned Subsidiary of Kimberley, which in turn is a wholly-owned Subsidiary of DFR.
- 2.3 The Parties have agreed to co-operate for the purposes of conducting the Feasibility Programme on the terms and conditions provided for in this Agreement.
- 2.4 DFR and Kimberley have agreed to grant Pangea the Option, in terms of which Pangea shall have the right to acquire the Option Interest from DFR and Kimberley on the terms and conditions provided for in this Agreement.
- 2.5 The Parties accordingly agree as set out herein.

3 FEASIBILITY PROGRAMME

- 3.1 In recognition of DFR's funding towards the Feasibility Programme prior to the Signature Date, and against receipt by Pangea of the Technical File (the receipt of which Pangea acknowledges in accordance with 3.2), Pangea shall pay to DFR the amount of US\$250,000 ("Upfront Fee"). The Upfront Fee shall be payable in cash free from any withholding, set-off or deduction within

fifteen Business Days of the Signature Date by electronic transfer into the DFR Bank Account.

3.2 Pangea acknowledges receipt of the Technical File provided by the DFR Beravina Group.

3.3 Following the payment of the Upfront Fee, Pangea undertakes, with the DFR Beravina Group's co-operation contemplated in 3.5, to progress the Feasibility Programme during the Feasibility Period, which shall be under Pangea's control and conducted in accordance with a work plan and schedule to be determined by Pangea. Pangea shall incur expenditure for such purpose ("Development Expense Payments"). Pangea anticipates that the Development Expenses Payments will be in the order of US\$500,000. The Development Expenses Payments may include, amongst other things, payments made to the DFR Beravina Group, which may or may not relate to reimbursement of the DFR Beravina Group for any costs, fees or expenses incurred by a member of the DFR Beravina Group at the request of Pangea, including pursuant to 3.5.

3.4 During the Feasibility Period, Pangea undertakes to -

3.4.1 provide the DFR Beravina Group with such information as may be reasonably requested by the DFR Beravina Group for regulatory reasons or pursuant to the rules of the TSX Venture Exchange. Pangea agrees and acknowledges that, for these purposes, the following information shall be deemed to be reasonable and Pangea shall provide to the DFR Beravina Group each of the following as soon as reasonably possible following receipt: [REDACTED]

[REDACTED]

[REDACTED]

COMMERCIALLY SENSITIVE INFORMATION

3.4.2 [REDACTED]

[REDACTED]

[REDACTED] and COMMERCIALLY SENSITIVE INFORMATION

3.4.3 conduct its activities in respect of the Beravina Project in compliance with all applicable laws, including environmental laws and Applicable Anti-Corruption Laws.

3.5 The DFR Beravina Group undertakes to co-operate with Pangea to conduct the Feasibility Programme during the Feasibility Period by –

3.5.1 using reasonable efforts to promptly comply with all reasonable requests made by Pangea and replying to all queries made by Pangea in connection with the Beravina Project;

3.5.2 [REDACTED]
[REDACTED]
[REDACTED] and COMMERCIAL SENSITIVE INFORMATION

3.5.3 [REDACTED]
[REDACTED]
[REDACTED] COMMERCIAL SENSITIVE INFORMATION

provided, however, that all costs pre-approved by Pangea and then incurred by the DFR Beravina Group in rendering such assistance shall be paid by Pangea as Development Expense Payments. In addition to the foregoing, Pangea agrees to pay the DFR Beravina Group, within 10 calendar days following the end of each month, an amount not to exceed US\$ [REDACTED] in respect of routine costs reasonably incurred by the DFR Beravina Group relating to the Gerante, CGMM's rental of office space, statutory filings and administrative costs in respect of AML and CGMM, provided that the DFR Beravina Group has first provided to Pangea written invoices in respect of such costs.

3.6 For purposes of this Agreement, the "Feasibility Period" shall be the period commencing on the Signature Date and ending seven months thereafter ("Original Period"); provided, however, that if, during the Original Period –

3.6.1 Pangea is restricted [REDACTED]
[REDACTED]
[REDACTED] then the Feasibility Period shall be extended beyond the Original Period by the duration that Pangea is so restricted;

3.6.2 Development Expense Payments have been incurred or irrevocably committed in an amount that equals or exceeds US\$500,000 (and documentary evidence of same is provided to DFR on request), then Pangea shall be entitled to elect to extend the Feasibility Period by a further three months, by giving written notice to that effect to the DFR Beravina Group prior to the expiry of the Original Period and by making payment of US\$250,000 to Kimberley, which amount shall –

3.6.2.1 if the Option is exercised, constitute an advance payment of the Option Price, and the amount payable on the Sale Date shall be reduced proportionately; or

3.6.2.2 if the Option is not exercised on or by the expiry of the Feasibility Period, be retained by Kimberley.

3.7

[REDACTED]

COMMERCIALLY SENSITIVE INFORMATION

4 THE OPTION

4.1 Option

4.1.1 Kimberley and DFR irrevocably grant to Pangea a call option to purchase from Kimberley and DFR the Option Interest on the terms of this 4.

4.1.2 The Option may be exercised by Pangea once by delivering the Option Exercise Notice to the DFR Beravina Group at any time during the Feasibility Period, whereupon, subject to 4.2, Kimberley and DFR shall be obliged to sell the Option Interest to Pangea, and Pangea shall be obliged to purchase the Option Interest. The delivery of the Option Exercise Notice shall be irrevocable.

4.2 Sale

The sale arising from the exercise of the Option shall bear the following terms and conditions –

4.2.1 the Option Price shall be US\$2,200,000, which shall be apportioned as to the face value of the claims that form part of the Option Interest and the balance as to the shares that form part of the Option Interest; and

COMMERCIALLY SENSITIVE INFORMATION

4.2.2 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] further provided that if any Party incurs expenditures in rendering assistance to another Party to obtain such approval, the Party requiring such approval shall reimburse the other Party for any such reasonably incurred expenses, if any.

4.3 Sale Date

4.3.1 By no later than the fifteenth Business Day following the date of fulfilment of the condition referred to in 4.2.2 (such date being referred to as the "Sale Date"), Pangea shall, subject to 3.6.2.1, pay the Option Price to DFR in cash, against compliance by Kimberley with 4.3.2 and 4.3.3;

4.3.2 On the Sale Date, CGMM, Kimberley and Pangea shall, subject to 4.4, execute the Royalty Deed and all documents reasonably requested by the DFR Beravina Group to give effect to the Security with effect from the Sale Date (if not already executed), which Security shall principally be constituted by a mortgage agreement substantially in the form of the draft agreement attached hereto as Annexure F, as amended, if necessary, to mitigate the effects, if any, of any intervening changes of law, regulation or practice which would deprive Kimberley of its rights and remedies under the draft agreement attached hereto as Annexure F;

4.3.3 Kimberley shall –

4.3.3.1 on the Sale Date, against compliance by Pangea with 4.3.1 and 4.3.2, deliver to Pangea (a) the certificates in respect of the shares comprised in the Option Interest, together with duly completed

share transfer forms in respect thereof, (b) the written resignations of each director of AML and CGMM in which each such director confirms, by way of a deed, that they have no claims whatsoever against AML or CGMM (c) a written absolute assignment of all claims of DFR and Kimberley against AML and CGMM in such form as Pangea may reasonably require; and

4.3.3.2 not later than 5 Business Days before the Sale Date, execute and file such documents as reasonably requested by Pangea in respect of certain U.S. "check-the-box election" filings, provided however that the effect of signing and filing these documents is not adverse to DFR or Kimberley, as determined by DFR, acting reasonably, and further provided that Pangea reimburses DFR, forthwith upon demand, in respect of any fees and expenses incurred by DFR in making its determination and, if applicable, filing such documents.

4.3.4 Following the performance by Pangea, DFR and Kimberley of their respective obligations in terms of 4.3.1, 4.3.2 and 4.3.3, ownership of, and all risk and benefit in, the Option Interest shall pass from DFR and Kimberley respectively to Pangea.

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4.3.5 Notwithstanding 4.3.1, DFR shall be obligated to direct Pangea [REDACTED] [REDACTED] in consideration of the grant of the Royalty by CGMM to Kimberley. If, during the period commencing on the Sale Date and ending two years thereafter, any tax is payable by CGMM solely as a result of receipt by CGMM of such amount ("Tax Liability"), the Option Price shall be deemed to have been reduced accordingly by the amount of the Tax Liability and each of Kimberley and DFR shall, jointly and severally, be liable to repay such amount to Pangea, forthwith on demand.

4.4 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

COMMERCIALLY SENSITIVE INFORMATION

4.4.1 [REDACTED]
[REDACTED]
[REDACTED]

COMMERCIALLY SENSITIVE INFORMATION

4.4.2 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

COMMERCIALLY SENSITIVE INFORMATION

5 TERMINATION

5.1 If, -

5.1.1 at any time prior to the expiry of the Feasibility Period, Pangea provides written notice to the DFR Beravina Group that it does not wish to exercise the Option, or

5.1.2 Pangea has not delivered an Option Exercise Notice to the DFR Beravina Group on or prior to the expiry of the Feasibility Period,

this Agreement shall, subject to DFR complying with 5.2, if applicable, and Pangea delivering the Feasibility Materials and the Technical File to the DFR Beravina Group within fifteen days of the earlier of (a) delivery of the written notice referred to in 5.1.1 and (b) the expiry of the Feasibility Period, automatically terminate.

5.2 If the Agreement terminates pursuant to 5.1.1 or 5.1.2 as a result of a material breach by the DFR Beravina Group of a Fundamental Warranty, then DFR shall, on demand, pay to Pangea the Upfront Fee, as liquidated damages in full and final settlement of all past, present and future claims (contractual, statutory or otherwise) under this Agreement. The Parties agree that these liquidated damages are reasonable and proportionate to protect Pangea's interests in respect of this Agreement.

6 DFR BUY-BACK

If Pangea does not elect to make an Advance Payment within 60 days of it being entitled to do so in terms of the Royalty Deed ("Advance Expiry Date"), then DFR shall have the option to purchase the Option Interest acquired by Pangea in terms of the exercise of the Option from Pangea, by giving written notice of such exercise to Pangea within 90 days of the Advance Expiry Date, whereupon Pangea shall be obliged to sell the Option Interest to DFR, and DFR shall be obliged to purchase the Option Interest mutatis mutandis on the basis provided for in 4.2 and 4.3, save that for such purposes (i) the "Option Price" shall be the higher of US\$1 and 50% of the aggregate of any Advance Payments made by Pangea in terms of the Royalty Deed as at the Option Date, (ii) no Royalty Deed or Security documents will be entered into (iii), all references to Pangea shall be references to DFR and (iii) all references to Kimberley, DFR or to the DFR Beravina Group shall be references to Pangea.

7 NEGATIVE COVENANTS

7.1 [REDACTED]
[REDACTED]
[REDACTED] COMMERCIAL SENSITIVE INFORMATION

7.1.1 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] COMMERCIAL SENSITIVE INFORMATION

7.1.1.1 [REDACTED]
COMMERCIAL SENSITIVE INFORMATION

7.1.1.2 [REDACTED]
[REDACTED] COMMERCIAL SENSITIVE INFORMATION

7.1.1.3 [REDACTED]
[REDACTED] COMMERCIAL SENSITIVE INFORMATION

[REDACTED]
COMMERCIAL SENSITIVE INFORMATION

7.1.2 [REDACTED]
[REDACTED]
COMMERCIAL SENSITIVE INFORMATION

[REDACTED]
[REDACTED] COMMERCIAL SENSITIVE INFORMATION

7.2 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] COMMERCIAL SENSITIVE INFORMATION

7.3 [REDACTED]
COMMERCIAL SENSITIVE INFORMATION

7.3.1 [REDACTED]
[REDACTED]
COMMERCIAL SENSITIVE INFORMATION

7.3.1.1 [REDACTED]
[REDACTED] COMMERCIAL SENSITIVE INFORMATION

7.3.1.2 [REDACTED]
COMMERCIAL SENSITIVE INFORMATION

7.3.1.2.1 [REDACTED]
[REDACTED]
COMMERCIAL SENSITIVE INFORMATION

7.3.1.2.2 [REDACTED]

[REDACTED]

COMMERCIALY SENSITIVE INFORMATION

7.3.1.2.2.1 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

COMMERCIALY SENSITIVE INFORMATION

7.3.1.2.2.2 [REDACTED]

[REDACTED]

[REDACTED]

COMMERCIALY SENSITIVE INFORMATION

7.3.1.3 [REDACTED]

COMMERCIALY SENSITIVE INFORMATION

7.4 [REDACTED]

COMMERCIALY SENSITIVE INFORMATION

8 WARRANTIES

8.1 Each of DFR and Kimberley, jointly and severally, warrants to Pangea that, as at the Signature Date, the Option Date and the Sale Date -

8.1.1 the shares comprising the Option Interest were validly created and issued and constitute 100% of the issued share capital of AML;

- 8.1.2 Kimberley is the sole beneficial and (if applicable) registered owner of the entire issued share capital of AML;
- 8.1.3 AML is the beneficial and registered owner of the entire issued share capital of CGMM;
- 8.1.4 as at the Sale Date, Kimberley is entitled and able to give free and unencumbered title to the entire issued share capital of AML to Pangea;
- 8.1.5 as at the Sale Date, other than as set out herein, no person will have any right (including any option or right of first refusal) to acquire any portion of the Option Interest, or to require AML or CGMM to increase or otherwise vary its authorised or issued share capital;
- 8.1.6 each member of the DFR Beravina Group is duly incorporated and validly existing in accordance with the laws of the place of its incorporation;
- 8.1.7 this Agreement constitutes an agreement that is valid and binding on it and enforceable against it in accordance with its terms;
- 8.1.8 the execution of this Agreement and the performance of its obligations hereunder does not and shall not -
 - 8.1.8.1 contravene any law or regulation to which it is subject;
 - 8.1.8.2 contravene any provision of its constitutional documents; or
 - 8.1.8.3 conflict with, or constitute a breach of, any of the provisions of any other agreement, obligation, restriction or undertaking which is binding on it;
- 8.1.9 there have been no applications, steps, proceedings or orders for the deregistration, winding-up, liquidation or administration of AML or CGMM, whether provisional or final;

- 8.1.10 the Reference Accounts -
- 8.1.10.1 have been or will be prepared so as to fairly present the financial position and results of trading as at and for the periods reflected;
- 8.1.10.2 were prepared in accordance with the requirements of all relevant statutes and generally accepted accounting practices;
- 8.1.10.3 fully disclose all the assets of AML and CGMM on the date thereof;
- 8.1.10.4 reflect or disclose all liabilities, actual or contingent, at their full amount, on the basis of, and in accordance with, the applicable accounting standard.
- 8.1.11 neither AML or CGMM has any assets, contracts, obligations, commitments, liabilities or employees, save to the extent reflected in the Reference Accounts;
- 8.1.12 to the knowledge of the DFR Beravina Group, no person/entity has any claim, or has alleged to have any claim, against or to AML, CGMM or the Mining Licence;
- 8.1.13 neither AML or CGMM has been, or is, party to any legal proceedings;
- 8.1.14 each of AML and CGMM has complied in all material respects with all laws and regulations affecting its affairs and business;
- 8.1.15 without derogating from 8.1.14, each of AML and CGMM, and each of its officers, directors, and, to the knowledge of the DFR Beravina Group, employees, contractors, consultants and agents representing it, have –
- 8.1.15.1 complied fully with all the provisions of the United States Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act of 2010, and all other anti-corruption and anti-bribery legislation applicable to it (whether by virtue of its jurisdiction of incorporation or the conduct of its business operations) (collectively the "Applicable Anti-Corruption Laws"); and

- 8.1.15.2 not engaged in any activity, practice or conduct which would constitute an offence under the Applicable Anti-Corruption Laws;
- 8.1.16 subject to the provisions of the Mining Code, CGMM has free and unfettered access to the land on which the Mining License is situate and is not subject to any restriction on the development of the Beravina Project;
- 8.1.17 CGMM is the lawful holder of the Mining Licence;
- 8.1.18 the Mining Licence is valid, enforceable and in good standing and CGMM has complied with all obligations and conditions prescribed in terms of such Mining Licence;
- 8.1.19 each of AML and CGMM is in possession of all material consents, permits and licences necessary for the conduct of its current business and affairs;
- 8.1.20 neither AML nor CGMM has received any notice or other communication from any Regulatory Authority or third party regarding the validity of, or non-compliance with the provisions of, the Mining Licence or which concerns a possible restriction on the development of the Beravina Project;
- 8.1.21 each of AML and CGMM has paid or will, prior to the Sale Date, pay all tax where the due date for payment of the tax arises on or before the Sale Date; and in respect of any tax which is due for payment after the Sale Date, adequate and accurate provision or reserves for the payment of that tax will have been made; and
- 8.1.22 neither AML nor CGMM is liable to pay any penalty or interest in connection with any claim for tax.
- 8.2 The warranties in 8.1 are limited and qualified by –
- 8.2.1 the disclosures made by the DFR Beravina Group in the disclosure schedule attached as Annexure C; and

8.2.2 any information to the extent that it is within the knowledge of Pangea as at the relevant date; provided that, for the avoidance of doubt, Pangea shall not have knowledge of the information included in the Technical File as at the Signature Date by virtue of it being in the Technical File.

8.3 Pangea warrants to every member of the DFR Beravina Group that, as at the Signature Date, the Option Date and the Sale Date -

8.3.1 it is duly incorporated and validly existing in accordance with the laws of the place of its incorporation;

8.3.2 this Agreement constitutes an agreement that is valid and binding on it and enforceable against it in accordance with its terms;

8.3.3 the execution of this Agreement and the performance of its obligations hereunder does not and shall not -

8.3.3.1 contravene any law or regulation to which it is subject;

8.3.3.2 contravene any provision of its constitutional documents; or

8.3.3.3 conflict with, or constitute a breach of, any of the provisions of any other agreement, obligation, restriction or undertaking which is binding on it.

8.3.4 there have been no applications, steps, proceedings or orders for the deregistration, winding-up, liquidation or administration of Pangea, whether provisional or final.

9 PUBLICITY

9.1 Pangea hereby acknowledges that DFR is a public company in Canada and, as such, is subject to public disclosure requirements under applicable law and the rules of the securities exchange on which it is listed and will be required to, among other things -

- 9.1.1 issue a press release concerning the entering into of this Agreement (substantially in the form attached as Annexure E, the exercise of the Option and/or any activity or information concerning the Beravina Project including, but not limited to, the grant of any environmental licence or other key permit;
- 9.1.2 provide a copy of this Agreement to the TSX Venture Exchange;
- 9.1.3 file a copy of this Agreement on SEDAR as a material contract.
- 9.2 Should DFR wish to make a public statement or press release concerning this Agreement or any activity or information concerning the Beravina Project it agrees to consult with Pangea prior to making such statement or press release and the Parties shall use reasonable efforts, acting expediently and in good faith, to agree upon the text for such statement or press release which is satisfactory to both Parties. It is recognised that DFR, as a public company, may have an obligation or desire to issue a press release containing information that Pangea either wishes not to make public or is unable to comment upon in a timely manner. In such event, such press release may be made provided that DFR shall endeavour to advise Pangea of its intention to make such an announcement and the contents of same and shall, so far as is reasonably possible, take into account Pangea's comments subject always to the actions DFR must take in order to discharge its public company disclosure obligations.
- 9.3 In addition, the Parties consent to -
 - 9.3.1 the inclusion of references to this Agreement by a Party in any document, early warning report or announcement to the extent required by applicable law or the rules of any applicable securities exchange or regulatory authority; and
 - 9.3.2 a copy of this Agreement being available for inspection in accordance with any court process or any regulatory requirements, and
 - 9.3.3 a copy of this Agreement being provided to the Governmental Authorities in Madagascar as and when requested or required.

10 CONFIDENTIALITY

10.1 Subject to 9, 10.2 and 10.3, no Party shall, at any time after the Signature Date, directly or indirectly disclose, or directly or indirectly use, whether for its own benefit or that of any other Person, -

10.1.1 any information -

10.1.1.1 regarding the contents of this Agreement;

10.1.1.2 relating to the Beravina Project, its assets and affairs, including all communications (whether written, oral or in any other form) and all reports, statements, schedules and other data concerning any financial, technical, labour, marketing, administrative, accounting or other matter,

(collectively, the "Confidential Information");

10.1.2 any document or other record (whether in electronic or any other medium whatsoever) containing Confidential Information which is supplied to it by the other Party as well as documents, diagrams and records which are produced by it (whether or not by copying, photocopying or otherwise reproducing documents or records supplied to it), and containing any Confidential Information ("Confidential Records").

10.2 Notwithstanding 10.1, Confidential Information may be disclosed by any Party ("Disclosing Party") -

10.2.1 to the extent to which the prior written consent for such disclosure has been obtained from the other Parties or is provided in 9;

10.2.2 to the extent to which disclosure is required by law (excluding contractual obligations) or by the rules of any stock exchange by which it (or any of its Affiliates) is bound; provided that in such event the Disclosing Party shall, unless prohibited from doing so by any such law, promptly notify the other Parties of the full details of such disclosure;

- 10.2.3 to the Disclosing Party's Affiliates, and/or to the Disclosing Party's and/or its Affiliates' respective directors, responsible employees and professional advisors who require such disclosure for the purpose of the Disclosing Party's implementing or enforcing this Agreement (including to enable Pangea to conduct the Feasibility Programme) or obtaining professional advice or for the purpose of complying with any law. Any conduct by any such Affiliate, director, employee or professional advisor which would, if that Person had been party to this 10, have been a breach of this 10 shall be deemed to be a breach of this 10 by the Disclosing Party;
- 10.2.4 to the extent to which it -
- 10.2.4.1 is made public other than as a result of any breach of this Agreement or any other agreement;
- 10.2.4.2 corresponds in substance to information disclosed and/or made available by a third party to the Disclosing Party at any time without any obligation not to disclose same, unless the Disclosing Party knows that the third party from whom it received that information is prohibited from transmitting the information to the Disclosing Party by a contractual, legal or fiduciary obligation to any other party;
- 10.2.4.3 is information which is independently developed by the Disclosing Party without reference to the Confidential Information.
- 10.3 Notwithstanding anything to the contrary contained in this Agreement, -
- 10.3.1 Pangea shall be entitled to disclose and use the Confidential Information referred to in 10.1.1.2 without restriction at any time after the Sale Date;
- 10.3.2 if this Agreement is cancelled or otherwise terminated for any reason, the DFR Beravina Group shall no longer be bound by the provisions of 10.1 and 10.2, but Pangea shall remain bound by such provisions.

11 NOTICES

11.1 Any notice, demand, consent or other communication given or made under this Agreement shall be delivered to the intended recipient by hand or email to the address or email address last notified by the intended recipient to the sender -

11.1.1 DFR Beravina Group

- physical - Diamond Fields Resources
2900-550 Burrard Street
Vancouver, BC
V6C 0A3
- email - [REDACTED]
- attention - COMMERCIAL SENSITIVE INFORMATION
Sybrand Van Der Spuy, CEO and
President

11.1.2 Pangea

- physical - [REDACTED]
- with copies to - COMMERCIAL SENSITIVE INFORMATION
[REDACTED]
- and COMMERCIAL SENSITIVE INFORMATION
[REDACTED]
- email - COMMERCIAL SENSITIVE INFORMATION
with a copy to - [REDACTED]
- attention - COMMERCIAL SENSITIVE INFORMATION
[REDACTED]

provided that the address for AML and CGMM shall, from and after the Sale Date, be changed to the Pangea address set out above. Any Party will be entitled, from time to time, by giving written notice to the other, to vary its notice to any other physical address (not being a post office box) in the United

13 DISPUTES

- 13.1 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause.
- 13.2 The number of arbitrators shall be one.
- 13.3 The seat, or legal place, of arbitration shall be London, England.
- 13.4 The language to be used in the arbitral proceedings shall be English.
- 13.5 This 13 is severable from the rest of this Agreement and shall remain in full force and effect notwithstanding any termination of this Agreement, or any part thereof.

14 FURTHER ASSURANCES

The Parties undertake reciprocally in favour of each other to sign, or cause to be signed, all such documents, and do, or cause to be done, all such further things, and to vote, or cause to be voted, where it is within their power to do so, in favour of all such resolutions as may be reasonably required to give effect to the provisions of this Agreement, the Security and to transfer the Option Interest to Pangea pursuant to the valid exercise of the Option, as well as the buy back of the Option Interest, if any, from Pangea pursuant to 6.

15 INDEPENDENT ADVICE

Each of the Parties acknowledges that it has been free to secure independent accounting, legal, tax and/or other advice as to the nature and effect of all of the provisions of this Agreement and that it has either taken such independent accounting, legal, tax and/or other advice or dispensed with the necessity of doing so. In addition, each of the Parties acknowledge that all of the provisions of this Agreement and the restrictions contained in it are fair and reasonable in all of the circumstances and are part of the overall intention of the Parties in connection with this Agreement.

16 GENERAL

- 16.1 This Agreement, together with the documents referred to herein, constitutes the sole record of the agreement between the Parties in relation to the subject matter hereof. No Party shall be bound by any express, tacit or implied term, representation, warranty, promise or the like not recorded herein. This Agreement supersedes and replaces all prior commitments, undertakings or representations, whether oral or written, between the Parties in respect of the subject matter hereof.
- 16.2 No addition to, variation, novation or agreed cancellation of any provision of this Agreement shall be binding upon the Parties unless reduced to writing and signed by or on behalf of the Parties.
- 16.3 No waiver, indulgence or extension of time which a Party ("Grantor") may grant to the other, nor any delay or failure by the Grantor to enforce, whether completely or partially, any of its rights, shall constitute a waiver of or, whether by estoppel or otherwise, limit any of the existing or future rights of the Grantor in terms hereof, save in the event and to the extent that the Grantor has signed a written document expressly waiving or limiting such right.
- 16.4 Notwithstanding anything to the contrary at 7, Pangea shall be entitled to assign and/or otherwise transfer all of its rights and/or obligations in terms of, and/or interest in, this Agreement to an Affiliate thereof, after giving written notice to that effect to the DFR Beravina Group, provided however that such Affiliate agrees to be bound by the terms of this Agreement and should such person cease to be an Affiliate of Pangea at any time prior to a Transfer that is not prohibited in terms of this Agreement, then (i) such person shall be compelled to assign and/or otherwise transfer all of its rights and/or obligations in terms of, and/or interest in, this Agreement back to Pangea and Pangea shall agree to such assignment and or transfer; and (ii) Pangea shall remain liable for the obligations of any such Affiliate.
- 16.5 Save as expressly provided in this Agreement, no Party shall be entitled to cede, delegate, encumber, assign or otherwise transfer any of its rights and/or

obligations in terms of, and/or interest in, this Agreement to any third party without the prior written consent of the other Parties.

16.6 No consent or approval in terms of or in connection with this Agreement shall be valid or effective unless in writing and signed by or on behalf of the Party giving such consent or approval.

16.7 Without prejudice to any other provision of this Agreement, any successor-in-title, including any liquidator, curator or trustee, of a Party shall be bound by this Agreement.

16.8 The signature by any Party of a counterpart of this Agreement shall be as effective as if that Party had signed the same document as any other Party.

16.9 Unless expressed provided to the contrary herein, a person who is not a party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

17 GOVERNING LAW

17.1 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Signed at Houston, Texas

on 16 May

2019

for TMH Acquisition Co Ltd

"Tony Fiore"

who warrants that he is duly
authorised hereto

EXECUTION VERSION

ANNEXURE A – MINING LICENCE

[see attached]

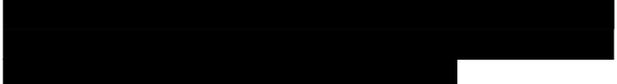
EXECUTION VERSION

ANNEXURE B – ROYALTY DEED

[see attached]

EXECUTION VERSION

ANNEXURE C – DISCLOSURE SCHEDULE

Warranty number	Specific disclosure
8.1.11	 COMMERCIALY SENSITIVE INFORMATION  COMMERCIALY SENSITIVE INFORMATION 
8.1.19	COMMERCIALY SENSITIVE INFORMATION Additional permits and licenses, including environmental permits, will be required in order to conduct additional exploration, development and production activities.

EXECUTION VERSION

ANNEXURE D - DFR BANK ACCOUNT

Bank:

[REDACTED]

Bank Address:

[REDACTED]

Account number:

[REDACTED]

Swift:

[REDACTED]

COMMERCIALLY SENSITIVE INFORMATION

Beneficiary:

[REDACTED]

Beneficiary Address:

[REDACTED]

COMMERCIALLY SENSITIVE INFORMATION

EXECUTION VERSION

ANNEXURE E - PRESS RELEASE

[see attached]

EXECUTION VERSION

ANNEXURE F – SECURITY AGREEMENT

[see attached]

ANNEXURE G – REFERENCE ACCOUNTS

[see attached]