



REPUBLIC OF BOTSWANA

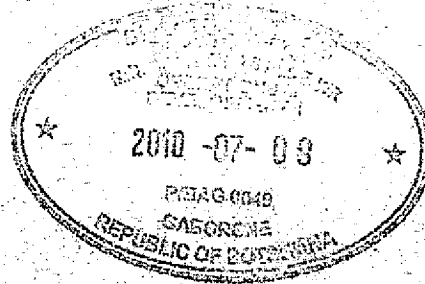
REPUBLIC OF BOTSWANA

MINING LICENCE

IN FAVOUR OF

MONAK VENTURES (PTY) LTD

MINING LICENCE NO. 2010/59L





REPUBLIC OF BOTSWANA

Form VI

Mining Licence No. 2010/59L

Issued in terms of Section 41 of the Mines and Minerals Act.

WHEREAS Monak Ventures (Pty) Ltd, a company incorporated under the laws of Botswana and the holder of prospecting/~~retention~~/~~mining licence~~/~~waiver~~* number PL 33/2007 hereinafter referred to as "the Holder", has applied for a mining licence in respect of deposit discovered under prospecting licence numbers PL 33/2007.

AND WHEREAS provision is made under Part VI of the Act for the issue of a Mining Licence;

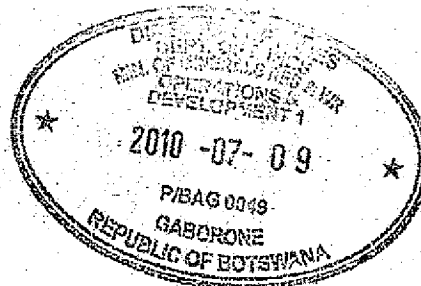
NOW THEREFORE the Minister hereby grants to the Holder mining licence number 2010/59L to mine Diamonds in the mining licence area on the plan annexed hereto for a period of twelve (12) years commencing on1st July 2010.....and ending on30th June 2022.....subject to the provisions of the Act and to the terms and conditions of this Licence.

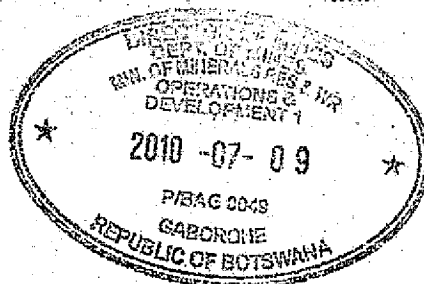
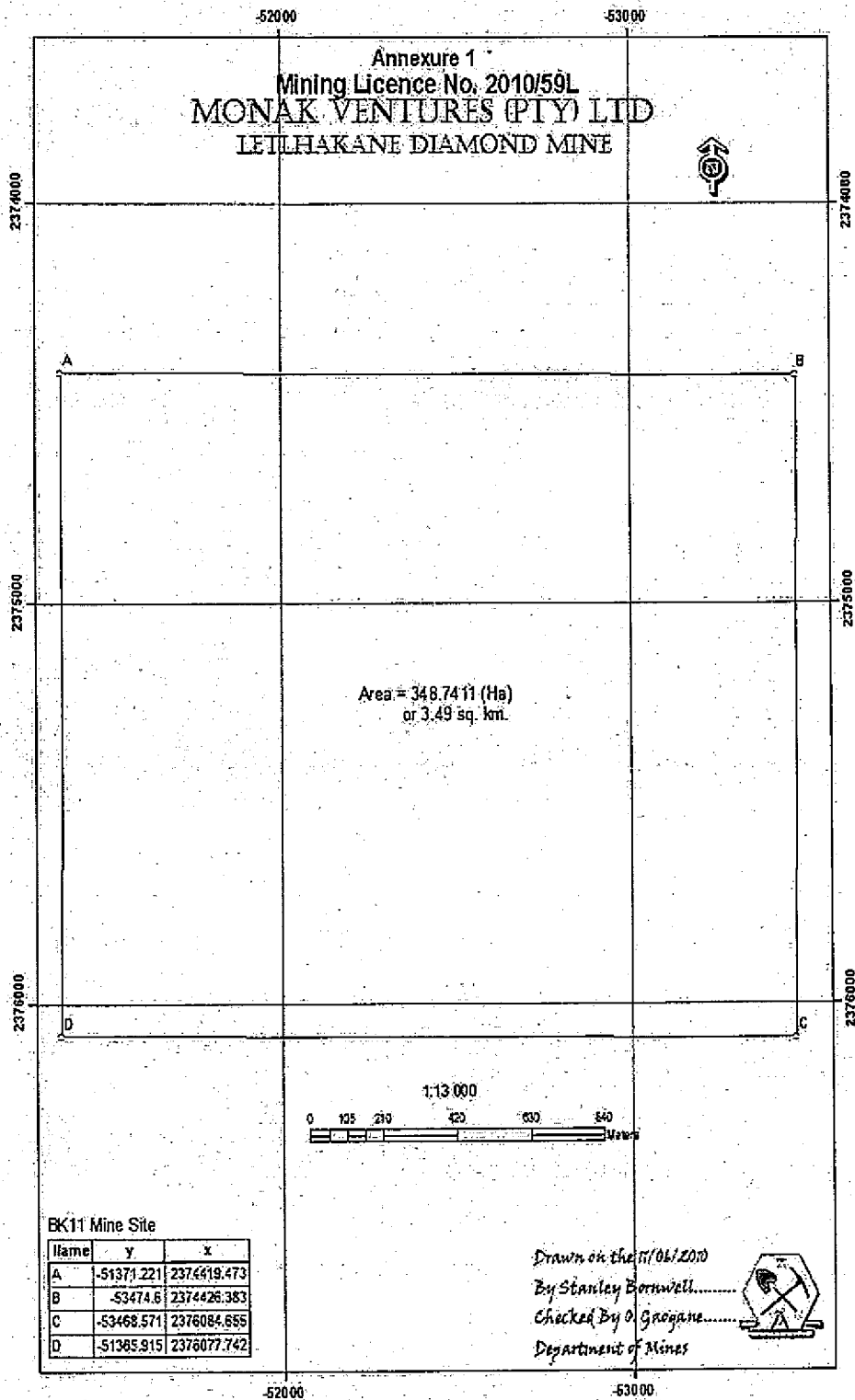
1. The Holder shall upon the issue of the licence and thereafter on each anniversary thereof, pay to Government at the office of the Director of Mines a fee in accordance with Section 71 of the Act.
2. The Holder shall carry out its mining operations strictly within the Mining Licence area and in accordance with the approved programme of mining.
3. The Holder shall pay royalty to Government monthly in accordance with Section 66 of the Act.

Given under my hand at Gaborone this day of in the year 2010.....

Minister
Ministry of Minerals, Energy
and Water Resources

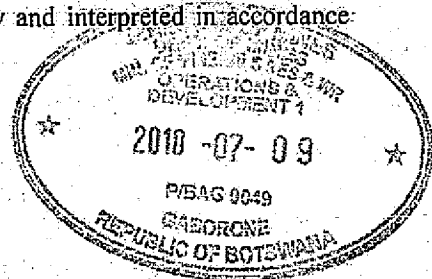
* Delete where inapplicable





Terms and Conditions (Pursuant to Section 51 of Mines and Minerals Act)

1. A Mining Licence for Monak Ventures over BK 11 deposit will be issued for a period of 12 years, being the period reasonably required to carry out the mining programme proposed by Monak Ventures and accepted by Government, subject to the holder's right of renewal in terms of Section 42(2) of the Act.
2. The project will be taxed under the Twelve Schedule of the Income Tax Act (Chapter 52:01). All of the provisions of this Schedule will apply including a variable tax rate.
3. Monak Ventures will hold any open tender for diamond sales in Botswana and may with Government approval offer open tender sales internationally. Monak Ventures will ensure that Botswana based buyers are invited to participate in all open tender sales, irrespective of the location of such tender offers. Any non open tender sale of diamonds by Monak Ventures, including any exclusive sales contracts, will be subject to the prior approval of the GRB.
4. Monak Ventures Diamond Valuer ("MVDV") and the Government Diamond Valuer ("GDV") shall value and agree the pre-sale valuation price of Monak Ventures diamonds prior to any sale. Costs of valuation by the GDV will be for the GRB account while sorting and valuation costs of the MVDV will be for the account of Monak Ventures. Subject to Section 66, of the Mines and Minerals Act royalties payable will be based on:
 - a. actual sales price received by Monak Ventures in the case of sales from open tendering, and
 - b. Actual sales price as agreed by Monak Ventures, GDV and Purchaser for sales from non – open tenders.
5. The Licence area shall be the area shown on annexure 1
6. Monak Ventures will commence working for profit not later than 12 months from the date of granting of the mining licence.
7. These terms and conditions shall be governed by and interpreted in accordance with the laws of the Republic of Botswana



Telephone: 3657000
Fax No: 352141
Telegraphic Address:
Mines Gaborone
Reference: MD 452 I (35)



Department of Mines
Private Bag 0049
Gaborone
Botswana

REPUBLIC OF BOTSWANA

ALL CORRESPONDENCE TO BE ADDRESSED TO THE DIRECTOR OF MINES

9 July 2010

Monak Ventures (Pty) Ltd
Private Bag 149
Suite 265
Gaborone

Mining License No 2010/ 59L

Please find enclosed Mining Licence No 2010/59L granted in favour of your company. Kindly acknowledge receipt by signing this letter in duplicate and return one copy to the Director of Mines. Also pay P 400.00 as annual lease charge towards each licence.

Find attached the returns forms to be submitted by the Manager on or before the 15th day of the month following that to which they relate unless otherwise stated

1. Monthly production returns
2. Pay royalties
3. Monthly labour and wages returns
4. Monthly Health and mortality returns
5. Severity rate and Loss Time Injury Frequency Rate (LTIFR)
6. Report of a Dangerous Occurrence (to be reported within 24 hours of occurrence in the lease area)
7. Notification of reportable Accident (to be submitted within 10 days of occurrence of an accident in the lease area)
8. Notification of Commencing, Recommencing or Abandoning Work (to be submitted within seven days of commencing, recommencing or abandoning work at a lease area)
9. You are advised to have your programme of work at site at all times
10. Demarcation should be done within three months of issuance of the license
11. The copy of Minerals Permit and Mining Licence should be at site at all times.

Yours faithfully

P.R. Kebeng

For/Director of Mines

Encl

I acknowledge receipt of Mining License No 2010/59L

POLITE KHUTJWE

Name

GROUP EXPLORATION'S MINERAL RESOURCES
MANAGER

Designation

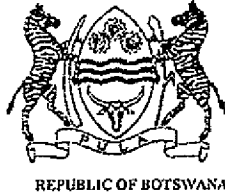
Signature

09/07/2010

Date

Contacts 3 LR/852/71392129

TELEPHONE: (267) 3656600
TELEGRAMS: MMEWA
FAX: (267) 3909368
REFERENCE: GSC/6/45/72 I (9)



REPUBLIC OF BOTSWANA

MINISTRY OF MINERALS, ENERGY AND
WATER RESOURCES
PRIVATE BAG 0018
GABORONE
BOTSWANA

8 July 2010

Managing Director
Monak Venture (Pty) Ltd
Commerce Park, Lot 81, Unit 2
Postnet Kgale View
Private Bag 149,
Suite 265
Gaborone

Attention: T.A. Wilkes

Dear Sir,

Approval To Offer Open Tender Sales Internationally

I refer to your letter dated 18th June 2010 requesting approval to offer diamond sales Internationally.

In accordance with clause 3 of the Terms and Conditions of the Monak Venture (Pty) Ltd. (Monak) Mining Licence No. 2010/59L, approval is granted for Monak to hold open tenders for diamond sales in Botswana before offering open tenders internationally. Monak will ensure that Botswana based buyers are invited to participate in all open tender sales, irrespective of the location of such tenders. This approval to offer tender sales internationally is valid until December 2013. The approval will be reviewed before December 2013 upon application by Monak with a view to extending it for a further period not exceeding two years. The approval to extend the selling of Diamonds internationally for a further period will not be denied unreasonably. During the period between 21st June 2010 and December 2013 (or the end of the extension period), the condition in Clause 3 relating to the requirement to get approval for selling of diamonds

internationally is waived. After December 2013 or the end of the extension period, the full provisions of clause 3 will apply.

Monak is required to provide information to Government after every tender offered in Botswana and Outside Botswana. The information required will include but not limited to the following:

- a) Names of individuals or companies invited for tender
- b) Prices offered
- c) Nationality of those invited
- d) Place where tenders were held
- e) Actual sales value
- f) Method used to select those invited to tender

Thank you

Yours faithfully,



P.H.K. Kedikilwe (Dr.)

Minister of Minerals, Energy and Water Resources

Cc. Director of Mines